

A Profile of U.S. Multinational Companies in 1977

THIS article presents a profile of U.S. multinational companies (MNC's), based on data from BEA's 1977 benchmark survey of U.S. direct investment abroad.¹ It discusses industry characteristics of the MNC's, their size, the location of their operations, the U.S. parents' percentage ownership in their foreign affiliates, and the form of organization of parents and affiliates. Forthcoming studies will discuss, in greater depth, specific aspects of the MNC's, such as their growth since the last benchmark survey of 1966, sales, gross product, employment, technology, sources and uses of funds, and U.S. merchandise trade.

U.S. direct investment abroad exists when one U.S. person (U.S. parent) has a direct or indirect ownership interest of 10 percent or more in a foreign business enterprise (foreign affiliate). U.S. MNC's are U.S. companies that have direct investment abroad. An MNC consists of the U.S. parent and all of its foreign affiliates.

The 1977 benchmark survey was a census, i.e., it was intended to cover the universe of U.S. MNC's. Reports were received for 3,540 U.S. parents and their 24,666 foreign affiliates. Although a large number of very small affiliates were exempted from the survey in order to ease the reporting burden, coverage

NOTE.—Arnold Gilbert programmed the tables, with assistance from Richard Mauvery.

1. The April 1981 Survey of Current Business gave a brief description of the benchmark survey and highlights of the data. See International Investment Division, "1977 Benchmark Survey of U.S. Direct Investment Abroad," Survey 61 (April 1981): 29-37. Detailed data and a more complete methodology of the survey were published in *U.S. Direct Investment Abroad, 1977*; copies may be obtained from the Superintendent of Documents, U.S. GPO, Washington, D.C. 20540, price \$10.00, stock number 002-010-00079-1.

of the universe in terms of values was virtually complete.

The benchmark survey covered parents and affiliates in all industries. However, this article will cover only nonbank MNC's. A nonbank MNC consists of a nonbank U.S. parent that has at least one nonbank foreign affiliate, and its nonbank affiliate(s). In the 1977 benchmark survey, much more data were collected for nonbank parents and affiliates than for bank parents and affiliates, because the latter already were required to report most of the information needed for policy purposes to other U.S. Government agencies.

The 3,426 nonbank parents of nonbank affiliates accounted for 97 percent of both the number and employment, but only 73 percent of the total assets, of all U.S. parents; similarly, the 23,641 nonbank affiliates of nonbank parents accounted for 96 percent of the number and 98 percent of the employment, but only 59 percent of the total assets, of all affiliates. Assets of nonbank parents and affiliates tended to be lower, on average, than those of bank parents and affiliates, because the assets of the latter included substantial financial claims arising from their lending activities. (Their liabilities tended to be high also, because of their sizable borrowing activities and customers' deposits.) In the remainder of this article and in all accompanying tables, the term "U.S. MNC's" refers only to nonbank MNC's, as defined above. "U.S. parents" refers only to nonbank parents of nonbank affiliates, and "foreign affiliates" refers only to nonbank affiliates of nonbank parents.

The characteristics of U.S. MNC's could be described using a number of different items, such as total assets,

sales, or employment. For simplicity, most of the discussion here is in terms of a single item—total assets. (One exception is in the discussion of industrial diversity, where some of the necessary data are available only for sales.) However, the number, sales, and employment, as well as the total assets, of MNC's are presented in most of the tables and are mentioned in the text, to the extent that they add to the discussion of a given characteristic.

Highlights of this article are:

- U.S. MNC's had worldwide consolidated assets of \$1,818.2 billion in 1977; 42 percent were in manufacturing, 23 percent in finance (except banking), insurance, and real estate, 16 percent in petroleum, and 13 percent in "other industries" (mainly transportation, communication, and public utilities). The remaining 6 percent were in trade and mining.

- A majority of affiliates were classified in the same industries as their U.S. parents, or in industries that complemented or were closely related to those of their parents.

- Industry specialization ratios—the percentage of an MNC's total sales that were in the MNC's own industry of classification—ranged from 72 percent in mining to almost 90 percent in petroleum and trade.

- The distribution of sales by MNC industry of classification did not differ significantly from that by industry of the sales themselves.

- The distribution of worldwide consolidated assets of U.S. MNC's was highly skewed toward the large MNC's. The 62 largest—those with assets of at least \$5 billion each—accounted for less than 2 percent of the number, but for 50 percent of the assets, of all MNC's.

● Affiliates accounted for 24 percent of the aggregated assets of U.S. parents and affiliates. By industry of MNC, affiliates' shares of aggregated assets ranged from 38 percent in petroleum to 10 percent in finance (except banking), insurance, and real estate.

● Almost three-fourths of affiliates' assets—\$359.6 billion out of \$490.2 billion—were in developed countries. Assets of affiliates in Canada, at \$36.2 billion, were the largest for any single country. Assets of European affiliates were \$206.6 billion and were mainly in the European Communities (9). Almost two-thirds of the assets of affiliates in developing countries were in Latin America.

● Nearly one-half of U.S. MNC's had affiliates in only 1 country. Only 4 percent had affiliates in more than 20 countries.

● Eighty-three percent of affiliates were majority-owned (i.e., owned more than 50 percent) by their U.S. parents; of these, 86 percent were wholly owned.

● Globally, majority-owned affiliates accounted for nearly three-fourths of total affiliate assets. Their shares of assets were significantly less in countries—such as South Korea, Japan, India, Spain, and Mexico—that maintained restrictions on majority ownership by foreign investors.

● Most U.S. parents and foreign affiliates were incorporated. Incorporated parents accounted for 99 percent of the assets of all parents, and incorporated affiliates accounted for 87 percent of the assets of all affiliates.

● Sixty-one percent of affiliates were single-establishment enterprises. Only 6 percent had 11 or more establishments.

Industry Characteristics of MNC's

Distribution of MNC assets by industry

In the 1977 benchmark survey, data were collected for, and an industry code assigned to, the U.S. parent and each of its foreign affiliates separately; the codes were based on the industry in which the individual parent's or affil-

iate's sales were largest. Because an MNC-wide industry code (i.e., a code based on the worldwide consolidated activities of the MNC as a whole) was not available from the survey, in what follows, each MNC is classified by industry of U.S. parent. In a majority of cases, however, the U.S. parent's industry was probably also the MNC-wide industry, because, as will be discussed later, U.S. parents normally accounted for a much larger share of total MNC operations than did their foreign affiliates, and a majority of affiliates were classified in the same industries as their parents.

Table 1 presents selected data for U.S. MNC's by industry of U.S. parent. For MNC's worldwide, total assets are shown two ways—aggregated and consolidated. Aggregated assets are the sum of the assets of U.S. parents and of their foreign affiliates, which were reported separately in the 1977 benchmark survey. This sum contains duplication because of intercompany positions between a parent and an affiliate or between two affiliates of the same parent; these positions give rise to assets on the books of both the parent and the affiliate, or of the two affiliates, involved. Consolidated assets are assets after elimination of the duplication of intercompany positions. Worldwide consolidated assets of MNC's were not reported in the 1977 benchmark survey, but the data needed to remove most of the duplication were reported. (For derivation and further explanation, see the technical note.) In 1977, consolidated assets of the MNC's were roughly approximated to be \$1,818.2 billion, compared with aggregated assets of \$2,033.4 billion. Thus, a little over 10 percent of aggregated assets were eliminated by consolidation.

By industry of U.S. parent, manufacturing accounted for 42 percent, finance (except banking), insurance, and real estate for 23 percent, petroleum for 18 percent, and "other industries" (mainly transportation, communication, and public utilities) for 13 percent, of MNC worldwide consolidated assets. The share of trade was 5 percent and that of mining less than 1 percent.

Of the manufacturing total, 21 percent was in transportation equipment, 15 percent in chemicals, 14 percent in metals, and 13 percent in nonelectrical machinery. In finance (except banking), insurance, and real estate, MNC's in insurance had the largest share of assets.

The distribution of MNC aggregated assets by industry of U.S. parent was virtually the same as that of MNC consolidated assets. However, the distributions of MNC sales and employment by industry each differed significantly from that of either asset measure.

U.S. MNC's had worldwide (aggregated) sales of \$2,060.3 billion and worldwide employment of 26,081,000 in 1977.² MNC's in manufacturing and trade accounted for larger shares, and MNC's in finance (except banking), insurance, and real estate for smaller shares, of both sales and employment than they did of assets (chart 11). In the latter industry, ratios of sales to assets, and of employment to assets, are usually significantly lower than those in other industries; assets of enterprises in this industry often include very sizable investment portfolios, which, on average, generate lower "sales" (in this case, mainly dividend and interest receipts) and support fewer employees than other types of assets.

Petroleum MNC's accounted for a larger share of sales, but a much smaller share of employment, than of assets. Their larger share of sales probably reflected the substantial duplication in their sales data because of intercompany transactions. Before being sold to final customers, petroleum is typically resold several times within the MNC—for example, by extractive affiliates to refining affiliates, and then by refining affiliates to marketing or distribution affiliates. The smaller share of employment accounted for by petroleum MNC's mainly reflected the relatively high capital (and low labor) intensity of the petroleum industry.

2. Only aggregated, not consolidated, worldwide MNC sales are shown in the tables and discussed in this article. A forthcoming study will estimate consolidated worldwide MNC sales.

Table 1.—Selected Data of U.S. MNC's, 1977, by Industry of U.S. Parent

Industry of U.S. parent	Number of:		Total assets of:				Sales by:			Employment of:			Affiliates as a percentage of MNC's worldwide													
	MNC's (=number of U.S. parents)	Affiliates	MNC's worldwide		U.S. parents	Affiliates	MNC's world- wide ^a	U.S. parents	Affiliates	MNC's world- wide	U.S. parents	Affiliates	Total assets, aggre- gated ^b (=col. 3+col. 4)	Sales (=col. 8+col. 9)	Em- ploy- ment (=col. 12+col. 13)											
			Consol- idated ^c	Aggre- gated ^d																						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)											
	Millions of dollars						Number of employees																			
All industries.....	3,425	22,641	1,018,178	2,833,418	1,543,240	450,378	2,009,243	1,412,133	647,969	26,631,337	16,884,636	7,196,681	24.1	31.5	27.6											
Mining.....	29	123	10,182	11,511	7,489	4,022	8,890	4,080	1,990	106,484	65,242	41,142	34.8	27.4	28.6											
Metal mining.....	11	46	4,542	5,269	2,894	2,385	2,672	1,467	1,205	48,266	31,798	26,673	45.0	42.1	44.0											
Iron.....	2	19	1,470	(b)	(b)	(b)	(b)	(b)	(b)	0,859	(b)	(b)	66.5	26.7	(b)											
Copper, lead, zinc, gold, and silver.....	5	23	3,024	3,504	(b)	(b)	1,850	(b)	(b)	20,392	(b)	(b)	(b)	(b)	(b)											
Bauxite, other ores, and services.....	3	4	68	(b)	50	(b)	(b)	(b)	(b)	218	(b)	(b)	37.4	61.6	(b)											
Coal and other nonmetallic minerals.....	18	76	5,600	6,232	4,595	1,637	4,194	3,610	675	58,116	42,545	14,570	26.5	16.1	25.1											
Petroleum.....	148	2,227	298,812	354,626	218,780	135,780	474,634	221,767	252,878	1,213,506	890,511	424,005	88.2	53.3	82.3											
Oil and gas extraction.....	65	905	14,231	16,370	12,448	4,922	8,647	6,131	3,416	85,147	88,064	16,183	24.0	23.3	18.0											
Crude petroleum (no refining) and gas.....	56	109	11,003	12,722	9,471	2,261	4,140	4,144	1,900	46,465	37,340	9,066	25.6	32.5	19.5											
Oil and gas field services.....	37	106	8,228	3,647	2,978	671	2,407	1,997	420	38,742	31,524	7,118	18.4	17.5	18.4											
Petroleum and coal products.....	43	1,020	248,584	299,311	181,004	118,008	411,497	181,568	239,889	1,079,265	717,585	361,700	79.4	58.0	88.5											
Integrated refining and extraction.....	36	1,006	248,160	298,363	180,455	117,910	409,123	179,398	238,734	(b)	709,620	(b)	39.6	66.2	33.7											
Refining without extraction.....	3	3	705	(b)	(b)	(b)	(b)	(b)	(b)	1,670	(b)	(b)	0	4.0	(b)											
Petroleum and coal products, nec.....	6	14	440	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	18.8	12.0	(b)											
Petroleum wholesale trade.....	10	188	18,216	22,518	11,572	10,641	42,232	22,831	19,890	95,918	37,638	28,277	48.6	47.2	39.0											
Other.....	11	102	14,511	16,042	14,184	2,806	12,739	11,738	642	55,080	46,224	5,856	18.1	3.2	18.0											
Manufacturing.....	1,841	15,318	796,810	892,447	634,416	289,081	1,067,157	780,690	297,807	17,097,912	11,775,082	5,323,882	29.0	28.7	31.1											
Food and kindred products.....	112	1,388	56,298	66,005	49,399	16,789	110,562	83,422	27,340	1,500,682	1,018,702	483,980	25.7	24.7	32.2											
Grain mill and bakery products.....	20	228	8,451	10,019	8,162	3,437	19,132	14,497	6,635	276,985	199,016	77,969	23.0	21.3	28.1											
Beverages.....	16	206	8,082	10,894	7,547	2,957	12,968	8,078	2,379	138,559	122,782	60,777	27.6	25.3	32.4											
Other.....	76	944	37,763	44,641	33,320	11,312	78,672	69,248	18,426	1,040,118	694,904	345,214	25.0	24.7	32.2											
Chemicals and allied products.....	194	3,494	118,000	144,653	87,410	27,413	185,821	96,474	49,247	1,964,740	1,207,673	747,114	27.6	24.8	32.2											
Industrial chemicals and synthetic.....	61	1,280	62,346	82,346	54,858	27,288	90,303	53,965	23,213	997,658	652,827	344,231	28.8	32.7	34.5											
Drugs.....	32	1,204	22,381	31,160	26,258	10,902	27,464	16,423	11,042	470,257	333,802	236,455	25.0	40.2	47.0											
Soap, cleaners, and toilet goods.....	42	615	13,931	16,982	11,516	5,447	23,729	14,790	8,039	302,106	167,343	134,743	22.1	37.7	44.8											
Agricultural chemicals.....	7	63	5,331	6,179	4,729	1,406	4,096	3,803	782	26,965	21,277	5,708	23.6	18.3	21.2											
Other.....	52	340	5,894	7,906	5,069	1,646	10,360	7,674	2,388	149,283	112,900	36,077	24.6	23.0	24.8											
Primary and fabricated metals.....	277	1,544	165,602	117,064	87,073	29,861	110,432	84,688	25,076	1,942,214	1,434,236	457,978	26.6	21.0	23.6											
Primary metal industries.....	75	288	70,242	51,161	34,212	22,849	82,575	56,152	16,428	1,278,683	930,626	348,056	26.2	19.0	22.3											
Ferrous.....	44	378	47,485	30,826	21,100	9,646	62,807	46,302	16,428	855,845	732,657	223,078	19.0	11.3	14.3											
Nonferrous.....	31	415	21,757	20,335	13,112	13,203	20,676	10,230	10,428	420,138	257,068	102,290	26.3	35.1	28.4											
Fabricated metal products.....	202	756	28,362	29,308	22,760	7,162	27,064	28,411	8,632	666,581	492,611	173,970	23.9	21.3	26.0											
Machinery, except electrical.....	322	2,492	108,408	124,932	82,777	44,182	126,403	80,174	44,228	2,308,887	1,546,243	762,644	34.8	30.8	32.0											
Farm and garden machinery and equipment.....	15	98	7,987	8,537	5,276	2,281	8,178	5,569	2,610	130,024	90,543	39,391	26.5	28.3	28.8											
Construction and related machinery.....	53	511	20,181	24,300	17,089	7,281	27,088	18,211	8,514	450,067	319,997	143,060	20.8	32.6	31.4											
Office and computing machines.....	46	701	42,482	54,450	32,829	20,821	47,868	29,360	23,000	600,698	502,623	357,813	42.2	30.0	41.6											
Other.....	208	1,172	33,043	37,673	26,804	10,800	42,842	31,456	10,567	945,269	638,040	282,326	28.8	25.7	26.0											
Electric and electronic equipment.....	223	1,556	80,025	87,529	49,740	21,110	87,108	62,631	24,473	1,932,685	1,274,030	658,653	31.1	28.1	34.1											
Household appliances.....	22	258	7,230	8,440	5,842	2,506	11,528	8,436	3,493	221,556	168,644	111,012	30.8	20.2	29.7											
Radio, television, and communication equipment.....	44	308	13,512	15,160	12,428	2,532	20,442	14,723	5,719	408,087	320,321	89,486	16.8	18.2	21.0											
Electronic components and accessories.....	30	386	5,582	6,441	4,066	1,638	8,176	4,247	2,020	263,910	169,100	104,801	25.4	31.9	42.8											
Other.....	77	629	38,701	27,598	28,328	14,723	45,557	31,225	14,332	977,232	627,819	350,216	38.0	21.8	25.8											
Transportation equipment.....	65	1,141	164,601	180,201	132,478	55,722	240,716	165,681	75,036	3,372,145	2,289,002	1,083,144	28.9	21.2	23.8											
Motor vehicles and equipment.....	47	679	125,243	136,464	96,842	43,424	181,105	115,877	65,228	2,290,811	1,484,955	805,855	31.3	26.0	28.3											
Other.....	18	462	41,358	43,737	35,636	12,302	59,611	50,004	9,807	1,171,336	904,146	266,190	21.6	16.5	20.4											
Other manufacturing.....	628	2,741	100,130	104,710	138,371	46,145	206,713	166,616	50,106	4,066,520	2,968,083	1,120,547	25.0	24.2	27.6											
Tobacco manufactures.....	8	165	12,857	15,001	11,229	3,772	14,580	10,845	3,716	174,899	97,003	78,900	22.1	25.6	44.0											
Textile products and apparel.....	98	550	22,457	27,969	21,410	4,559	30,084	25,343	4,712	825,106	687,763	137,365	22.4	16.7	10.1											
Lumber, wood, furniture, and fixtures.....	40	158	36,306	17,372	14,212	2,060	20,468	18,219	2,276	322,928	288,438	55,492	12.0	11.1	17.1											
Paper and allied products.....	54	380	26,473	30,098	22,307	7,691	21,400	22,570	8,027	306,811	241,630	164,181	26.2	28.3	32.5											
Printing and publishing.....	26	207	12,311	13,623	11,532	2,091	16,071	13,734	2,337	200,467	283,418	47,949	15.3	14.5	15.7											
Rubber products.....	27	303	17,311	20,334	12,081	7,254	26,256	18,491	8,864	626,346	293,863	332,853	32.9	28.1	44.2											
Miscellaneous plastics products.....	37	184	2,060	3,437	2,377	700	4,122	3,261	872	85,847	67,298	18,389	22.1	21.1	10.6											
Glass products.....	12	147	5,085	7,003	5,033	2,860	4,968	3,013	1,913	201,062	131,000	69,062	38.3	31.7	34.8											
Stone, clay, cement, and concrete.....	39	320	12,807	14,543	10,001	2,686	13,012	10,409	3,303	350,870	170,680	70,731	28.2	25.2	31.8											
Instruments and related products.....	128	911	20,823	25,011	18,081	7,288	26,892	10,087	3,748	988,630	414,688	161,232	28.8	33.8	30.4											
Other.....	104	345	5,140	6,053	7,278	1,817	13,040	10,607	2,432	298,046	250,373	48,673	20.9	18.7	16.2											
Trade.....	375	1,410	94,843	102,343	84,240	18,683	228,750	183,706	45,044	2,995,770	2,471,642	464,137	18.4	18.7	15.5											
Wholesale trade.....	208	1,100	32,894	37,376	27,300	10,592	106,215	77,693	28,532	377,044	270,003	108,061	27.8	28.2	28.1											
Durable goods.....	181	589	15,867	18,063	13,382	4,693	37,516	29,252	8,264	178,495	120,870	48,618	26.0	22.0	26.4											
Nondurable goods.....	114	511	16,926	19,313	13,918	5,899	70,699	48,441	22,268	200,549	149,134	50,436	28.0	31.6	29.6											
Retail trade.....	80	319	62,167	65,007	57,052	8,191	120,536	100,023	14,813	2,518,725	2,200,640	348,080	13.5	12.0	13.7											
Finance (except banking), insurance, and real estate.....	600	1,841	412,126	424,061	379,847	44,117	144,656	119,586	25,054	1,292,222	862,094	430,210	10.4	17.3	33.3											
Finance, except banking.....	51	241	66,566	58,468	51,825	6,623	11,178	9,061	3,127	172,088	148,482	26,606	11.2	10.0	16.5											
Insurance.....	89	893	337,177	345,541	320,061	25,490	123,446	108,088	18,848	1,002,287	604,644	307,643	7.4	12.4	30.7											

Comparison of affiliate and parent industries

A majority of foreign affiliates were classified in the same industries as their U.S. parents, or in industries that complemented or were closely related to those of their U.S. parents. This suggests that the classification of a U.S. MNC by industry of U.S. parent, in most cases, provided an adequate description of the major industrial activity of the MNC as a whole.

Table 2 shows total assets of foreign affiliates disaggregated by industry of U.S. parent, cross-classified by industry of the affiliate itself. Affiliates classified in the same industries as their U.S. parents accounted for more than one-half of the assets of all affiliates of U.S. parents in each of the six major industries shown in table 2. Their shares of assets ranged from 84 percent in mining to 52 percent in "other industries."

Affiliates classified in manufacturing accounted for 66 percent of the assets of all affiliates of manufacturing parents. Most of the remaining assets were accounted for by affiliates in trade and in finance (except banking), insurance, and real estate (which includes holding companies); in general, these affiliates' activities complemented the MNC's manufacturing operations—by selling the goods produced, or by obtaining financing for, or holding equity interests in, the manufacturing operations.

Affiliates in petroleum accounted for 79 percent of the assets of all affiliates of petroleum parents. As in manufacturing, most of the remaining assets were accounted for by affiliates in complementary or related industries; affiliates in finance (except banking), insurance, and real estate—mainly finance and holding companies—accounted for 9 percent, and affiliates in chemical manufacturing—particularly in petrochemicals—for 4 percent.

Within manufacturing, the shares of total affiliate assets accounted for by affiliates classified in the same industries as their parents ranged from 69 percent in foods to 34 percent in electrical machinery. In each industry except metals, the remaining assets were largely accounted for by affiliates in

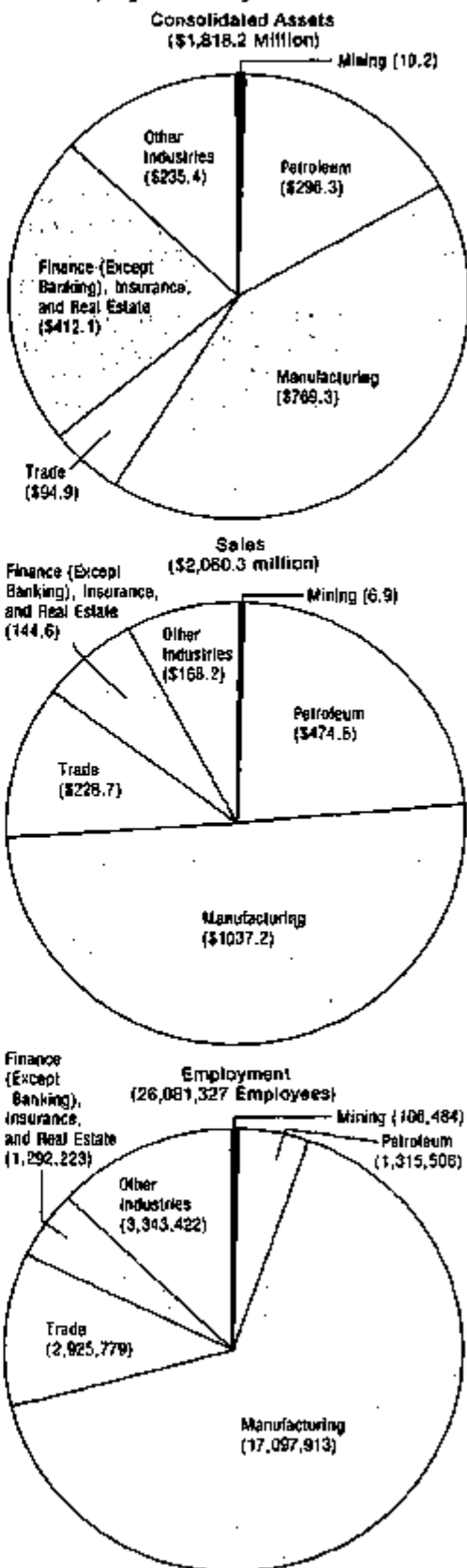
trade and in finance (except banking), insurance, and real estate; in metals, they were largely accounted for by mining affiliates. The share of remaining assets accounted for by finance affiliates was particularly large in transportation equipment, where most MNC's have established separate affiliates to handle the financing of their sales, both to final customers and to dealers. Sales financing is needed in this industry more than in most others, because of the sizeable per-unit expenditure involved in purchases of transportation equipment. In addition, a large portion of final sales are to individuals, who, compared with businesses, tend to rely more heavily on financing provided by sellers. The share of remaining assets accounted for by trade affiliates was particularly large in electrical and nonelectrical machinery.³

In most industries, affiliates classified in the same industries as their parents accounted for higher percentages of both the sales and employment, than they did of the assets, of all affiliates. The major exception was in finance (except banking), insurance, and real estate, where affiliates in the same industries as their parents accounted for 40 percent of sales and 17 percent of employment, compared to 67 percent of assets. In all other major industries, affiliates in the same industries as their parents accounted for at least 68 percent of the sales and 75 percent of the employment of all affiliates.

Although, in value terms, a majority of affiliates were classified in the same industries as their parents, many affiliates were not. As a result, the distribution of affiliate assets by industry of U.S. parent (first column of table 2) differed significantly from the distribution of those same assets by industry of the affiliates themselves (first row of table 2). When disaggregated by indus-

3. In electrical machinery, the relatively small share of total affiliate assets accounted for by affiliates in electrical machinery, and the relatively large share of remaining assets accounted for by affiliates in trade, may have been partly due to classification problems involving a large, highly diversified, minority-owned affiliate. When this affiliate's report was filed, information from its U.S. parent indicated that it was a trade affiliate; information obtained after publication of the 1977 benchmark survey results indicated that the affiliate probably should have been classified in electrical machinery manufacturing.

CHART 12
Worldwide Consolidated Assets,
Sales, and Employment of U.S.
MNC's, by Industry



try of U.S. parent, affiliate assets were more concentrated in manufacturing and, to some extent, petroleum, and less concentrated in mining, trade, and finance (except banking), insurance, and real estate, than they were when disaggregated by industry of affiliate.

Industrial diversity of MNC's

In the 1977 benchmark survey, each U.S. parent and foreign affiliate was required to disaggregate its sales by the industry of the sales themselves. As noted earlier, a parent or affiliate was classified in the one industry in which its sales were largest, even though it may have had significant sales outside that industry.

Table 3 shows, for MNC's, and for parents and affiliates separately, sales that were in their own industries of classification and sales that were in other industries. It also gives industry specialization ratios—defined as the ratio, in percentage terms, of sales in an MNC's, parent's, or affiliate's industry of classification to total sales by the MNC, parent, or affiliate. The higher the ratio, the more specialized are the enterprises classified in the industry.

For MNC's as a whole, specialization ratios in the six major industries shown in table 3 ranged from 72 percent in mining to almost 90 percent in petroleum and trade. In manufacturing, the ratio was 83 percent; however, the ratio was well below this in each manufactur-

ing subindustry. Industry specialization ratios depend, at least in part, on the level of industry aggregation used for data presentation—the ratio will tend to be higher the more aggregated the industry structure used (and hence the larger the number of subindustries included in a subtotal). Accordingly, care should be taken in comparing the ratios, as shown in table 3, for industries that are at different levels of aggregation.

Foreign affiliates had higher specialization ratios than their U.S. parents in nearly every industry shown in table 3. For the six major industries, parent ratios ranged from 87 percent in mining to 91 percent in trade, whereas all affiliate ratios exceeded 92 percent.

Table 2.—Total Assets of Foreign Affiliates, 1977, Industry of U.S. Parent by Industry of Affiliate

Industry of U.S. parent	Industry of affiliate													
	All industries	Mining	Petroleum	Manufacturing								Trade	Finance (except banking), insurance, and real estate	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment	Other manufacturing			
Millions of dollars														
All industries.....	490,175	38,396	134,400	190,885	14,176	39,752	21,406	28,353	17,118	31,358	38,926	56,101	75,775	33,746
Mining.....	4,022	2,387	261	(D)	0	0	4	2	0	0	(D)	21	(D)	73
Petroleum.....	135,780	1,600	107,420	5,687	(D)	4,770	613	122	(D)	2	(D)	831	12,204	7,999
Manufacturing, total.....	259,031	11,789	2,245	171,453	12,895	33,562	18,394	27,399	19,847	31,318	36,707	40,821	28,015	7,307
Food and kindred products.....	16,785	0	(D)	12,387	11,509	684	97	34	(D)	(D)	429	1,291	1,408	(D)
Chemicals and allied products.....	47,158	560	859	35,458	29,820	1,007	307	312	(D)	(D)	2,205	5,681	3,944	345
Primary and fabricated metals.....	29,991	8,480	181	15,967	(D)	(D)	13,294	320	204	265	649	1,408	1,897	1,108
Machinery, except electrical.....	44,182	(D)	217	30,000	0	243	1,089	21,865	(D)	(D)	1,279	12,957	2,226	(D)
Electric and electronic equipment.....	21,110	(D)	111	9,160	0	(D)	301	621	7,151	151	(D)	8,553	1,077	(D)
Transportation equipment.....	53,723	(D)	(D)	23,390	(D)	805	638	3,045	579	28,911	(D)	5,641	10,948	641
Other manufacturing.....	40,145	156	110	34,526	385	1,145	941	1,288	136	241	80,742	5,286	4,181	1,674
Trade.....	13,982	(D)	242	(D)	329	278	606	126	58	(D)	539	12,095	2,686	670
Finance (except banking), insurance, and real estate.....	44,117	1,530	305	8,045	302	(D)	1,067	540	(D)	(D)	574	1,696	29,753	2,794
Other industries.....	28,246	(D)	2,917	2,170	(D)	(D)	433	168	(D)	(D)	671	618	(D)	14,775
Assets of affiliates in each industry as a percentage of assets of all affiliates of parents in a given industry														
All industries.....	100.0	3.4	28.3	35.9	3.9	7.9	4.4	5.8	2.5	6.6	7.9	11.5	15.7	6.9
Mining.....	100.0	84.2	6.5	(D)	0	0	0.1	0.1	0	0	(D)	0.5	(D)	1.8
Petroleum.....	100.0	1.2	79.1	4.2	(D)	3.5	0.3	0.1	(D)	(D)	(D)	0.6	5.9	5.9
Manufacturing, total.....	100.0	4.3	0.9	48.2	5.0	13.0	7.3	10.6	4.3	12.1	14.2	15.8	10.9	2.8
Food and kindred products.....	100.0	0	(D)	78.7	66.2	2.7	0.2	0.3	(D)	(D)	2.6	7.7	8.3	(D)
Chemicals and allied products.....	100.0	1.3	2.0	75.6	2.0	63.3	2.1	0.7	(D)	(D)	4.7	12.1	8.4	8.7
Primary and fabricated metals.....	100.0	28.1	0.4	56.6	(D)	(D)	47.7	1.7	1.7	1.0	2.2	4.7	3.7	3.7
Machinery, except electrical.....	100.0	(D)	0.5	60.2	0	0.5	2.3	48.8	(D)	(D)	3.4	28.1	5.7	(D)
Electric and electronic equipment.....	100.0	(D)	0.5	31.4	0	(D)	1.4	2.9	33.7	0.7	(D)	40.5	2.1	(D)
Transportation equipment.....	100.0	(D)	(D)	63.0	(D)	1.5	1.1	5.7	1.1	53.7	(D)	10.2	20.4	1.6
Other manufacturing.....	100.0	0.3	0.3	78.5	0.7	2.8	2.0	2.8	0.3	0.5	60.6	11.5	9.3	2.4
Trade.....	100.0	(D)	1.3	(D)	4.4	1.5	3.2	0.7	0.3	(D)	2.8	83.7	15.1	4.6
Finance (except banking), insurance, and real estate.....	100.0	3.6	0.7	18.2	0.0	(D)	2.4	1.2	(D)	(D)	1.5	3.8	67.4	6.2
Other industries.....	100.0	(D)	13.0	11.3	(D)	(D)	1.6	0.8	(D)	(D)	2.4	2.2	(D)	32.3

(*) Less than 0.05 percent.

(D) Suppressed to avoid disclosure of data of individual companies.

NOTE.—In this table, data for affiliates are only for nonbank affiliates of nonbank parents.

Table 2.—Sales by U.S. MNC's Worldwide, and by U.S. Parents and Foreign Affiliates, 1977, by Industry: Total, Amount in Industry of Classification, and Amount in Other Industries

(Millions of dollars)

Industry of MNC, U.S. parent, or affiliate	MNC's worldwide					U.S. parents					Affiliates				
	Total sales	Sales in industry of MNC	Sales in other specified industries	Sales in unspecified industries	Sales in industry of MNC as percentage of total	Total sales	Sales in industry of U.S. parent	Sales in other specified industries	Sales in unspecified industries	Sales in industry of U.S. parent as percentage of total	Total sales	Sales in industry of affiliate	Sales in other specified industries	Sales in unspecified industries	Sales in industry of affiliate as percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
All industries.....	2,969,263	2,025,634	0	34,429	28.3	1,412,283	1,378,766	0	33,517	97.6	647,369	646,377	0	1,092	99.8
Mining.....	6,850	4,062	1,974	0	72.1	4,986	3,356	1,630	0	67.3	8,611	8,911	700	(*)	92.7
Metal mining.....	2,672	2,241	431	0	83.9	1,967	1,118	848	0	76.8	7,862	7,118	744	0	90.9
Iron.....	(*)	(*)	(*)	0	81.8	(*)	(*)	(*)	0	77.7	2,154	(*)	(*)	0	(*)
Copper, lead, zinc, gold, and silver.....	1,350	(*)	(*)	0	58.2	(*)	(*)	(*)	0	52.3	2,768	(*)	(*)	0	(*)
Bauxite, other ores, and services.....	(*)	(*)	(*)	0	94.8	(*)	(*)	(*)	0	73.8	2,720	2,472	248	0	90.9
Coal and other nonmetallic minerals.....	4,194	2,209	1,984	0	52.7	2,519	2,151	1,866	0	61.1	1,949	1,713	236	(*)	87.9
Petroleum.....	474,634	421,733	51,951	900	88.9	231,757	192,808	38,558	385	84.7	287,359	224,413	2,930	4	88.8
Oil and gas extraction.....	8,547	6,267	2,280	0	73.7	5,181	5,056	1,076	0	59.4	20,982	20,377	605	0	98.8
Crude petroleum (no refining) and gas.....	8,190	4,157	1,983	0	67.7	4,144	4,409	745	0	52.0	27,869	27,581	288	0	99.1
Oil and gas field services.....	2,457	1,110	675	0	71.9	1,987	1,413	673	0	71.1	3,156	3,016	140	0	95.6
Petroleum and coal products.....	411,437	250,618	159,978	883	60.9	181,568	151,182	29,828	838	83.3	112,877	107,508	5,370	4	96.2
Integrated refining and extraction.....	309,173	215,136	193,124	883	70.9	170,389	149,219	28,812	838	87.8	89,089	87,485	1,604	4	97.7
Refining without extraction.....	(*)	(*)	(*)	0	93.7	(*)	(*)	(*)	0	97.8	43,082	29,297	4,785	0	91.3
Petroleum and coal products, nec.....	(*)	(*)	(*)	(*)	55.8	(*)	(*)	(*)	0	73.3	757	722	35	(*)	95.4
Petroleum wholesale trade.....	42,252	24,384	17,698	0	57.7	22,321	17,392	4,940	0	77.9	75,587	74,474	2,113	0	97.3
Other.....	13,879	7,736	4,609	28	63.5	11,786	7,699	2,969	28	65.6	15,929	14,950	1,979	0	88.4
Manufacturing.....	1,037,157	882,948	145,354	28,810	75.2	739,490	649,949	61,709	27,840	87.0	245,323	228,720	11,339	1,008	94.9
Food and kindred products.....	110,762	83,716	22,906	4,137	74.7	83,422	63,417	14,878	4,126	76.0	23,004	24,508	1,076	24	95.7
Grain mill and bakery products.....	19,123	12,201	6,400	432	63.3	14,497	9,365	4,503	490	64.0	6,441	6,679	991	8	85.5
Beverages.....	12,558	8,904	(*)	(*)	87.9	9,679	6,187	(*)	(*)	63.3	3,473	3,164	(*)	(*)	92.7
Other.....	78,672	50,148	(*)	(*)	63.7	39,245	29,147	(*)	(*)	66.1	15,550	13,445	(*)	(*)	87.8
Chemicals and allied products.....	145,821	94,497	47,398	8,978	65.6	94,474	63,584	28,943	2,937	67.0	43,329	40,000	3,286	27	92.3
Industrial chemicals and synthetics.....	80,208	42,417	24,855	3,360	52.8	63,985	30,002	26,853	1,129	55.6	24,103	17,351	2,736	17	86.3
Drugs.....	27,154	14,515	7,541	507	53.2	15,423	8,439	(*)	(*)	51.3	7,930	7,045	(*)	(*)	88.8
Soap, chemicals, and toilet goods.....	23,729	12,255	10,251	194	51.9	14,790	7,956	6,491	194	53.9	7,363	6,231	1,184	(*)	86.0
Agricultural chemicals.....	4,068	2,065	(*)	(*)	50.9	3,503	1,794	(*)	(*)	51.6	2,228	1,855	(*)	(*)	83.9
Other.....	10,260	5,543	(*)	(*)	63.2	7,974	4,923	(*)	(*)	61.7	5,890	5,038	(*)	(*)	89.8
Primary and fabricated metals.....	119,679	79,440	37,682	2,537	66.4	94,583	66,318	25,741	2,503	70.1	20,036	18,108	1,836	94	90.4
Primary metal industries.....	33,574	29,241	21,055	2,556	87.0	22,732	19,185	2,243	1,416	84.4	9,857	9,125	732	3	92.6
Ferrous.....	83,967	53,394	18,588	914	63.2	46,902	31,717	14,771	934	67.8	2,153	2,840	310	2	90.1
Nonferrous.....	28,678	14,243	14,063	1,351	49.0	19,280	2,828	8,095	1,320	51.0	5,708	6,282	423	0	98.7
Fabricated metal products.....	37,064	21,804	15,129	271	58.5	28,411	17,414	10,736	280	61.3	10,177	8,790	1,296	92	86.4
Machinery, except electrical.....	125,403	79,968	42,754	3,770	63.2	80,174	56,894	15,457	2,633	71.0	33,046	29,834	3,013	199	90.3
Farm and garden machinery and equipment.....	6,173	3,635	3,344	0	61.4	6,599	4,418	2,149	0	67.3	3,446	2,892	554	0	84.9
Construction and related machinery.....	27,025	14,352	11,196	873	53.3	19,211	11,112	6,245	654	61.0	7,169	6,021	941	8	82.3
Office and computing machines.....	47,838	28,625	15,631	303	60.3	33,950	17,543	8,074	233	73.7	14,118	11,389	2,115	103	82.8
Other.....	42,342	23,248	16,476	2,621	54.9	31,455	18,557	10,257	2,549	59.3	8,115	7,697	690	28	92.2
Electric and electronic equipment.....	87,103	47,062	35,235	4,905	54.0	62,421	37,399	20,695	4,506	59.7	22,825	20,345	1,713	205	91.1
Household appliances.....	11,928	6,895	4,886	147	57.8	6,436	5,191	3,127	147	81.2	3,262	2,945	918	106	71.8
Radio, television, and communication equipment.....	20,442	8,960	11,290	188	43.9	16,723	8,254	3,384	165	49.4	7,594	6,832	702	0	90.0
Electronic components and accessories.....	9,178	5,062	3,048	68	55.1	6,247	4,291	1,961	68	67.2	5,115	4,486	629	0	87.7
Other.....	45,897	14,963	38,185	4,408	32.8	28,536	14,522	4,167	4,167	50.1	5,546	4,718	597	71	83.4
Transportation equipment.....	240,716	175,013	58,215	4,287	74.0	165,581	121,418	30,028	4,240	79.3	57,788	49,102	8,676	111	85.0
Motor vehicles and equipment.....	181,105	143,062	37,240	803	79.0	115,877	100,381	14,798	397	86.6	44,584	40,153	5,827	165	91.1
Other.....	59,611	29,290	20,786	3,585	48.1	49,804	27,047	19,216	3,542	54.3	2,904	2,906	92	6	98.6
Other manufacturing.....	204,718	150,101	61,420	5,198	73.8	156,818	117,085	34,625	4,895	74.8	44,200	40,689	3,241	270	92.1
Tobacco manufactures.....	14,349	7,809	6,676	75	53.5	10,545	5,870	4,090	75	54.1	2,114	2,100	5	0	99.7
Textile products and apparel.....	30,044	20,640	7,343	2,053	68.7	25,242	18,130	8,127	2,066	71.6	4,004	3,782	220	2	94.3
Lumber, wood, furniture, and fixtures.....	29,493	10,899	3,290	373	36.7	18,128	9,673	8,171	374	53.1	2,230	1,873	383	39	81.6
Paper and allied products.....	31,496	18,624	10,940	733	59.1	22,570	14,561	7,622	394	64.6	8,106	6,966	1,077	57	86.0
Printing and publishing.....	16,671	12,066	8,822	59	73.8	11,062	2,640	32	32	20.3	1,227	1,300	107	1	89.0
Rubber products.....	28,254	16,331	8,910	816	57.7	18,405	10,374	8,839	499	56.6	7,450	6,453	988	17	86.3
Miscellaneous plastics products.....	4,122	3,317	1,313	190	80.4	3,231	1,776	922	490	54.7	1,560	1,449	144	2	91.1
Glass products.....	8,868	5,802	2,953	12	65.6	6,053	3,443	2,196	13	63.6	2,826	2,530	276	4	90.2
Stone, clay, cement, and concrete.....	13,912	7,825	6,063	205	54.8	10,408	3,508	4,998	209	33.6	2,184	2,797	394	21	86.9
Instruments and related products.....	28,832	16,096	12,118	887	55.8	19,087	11,337	6,341	609	62.5	7,191	6,699	1,203	113	91.9
Other.....	13,019	7,341	5,674	34	56.3	10,907	5,990	4,015	32	50.2	3,193	2,685	344	4	83.7
Trade.....	224,730	204,890	22,334	1,527	91.0	183,790	180,018	15,560	1,908	97.9	102,997	98,061	3,964	82	96.1
Wholesale trade.....	108,216	80,649	17,061	1,473	74.5	77,653	64,830	11,390	1,494	84.5	84,739	80,792	3,879	62	96.8
Durable goods.....	37,510	28,409	8,624	482	75.7	22,780	18,090	4,090	478	77.7	14,189	14,554	3,627	50	95.1
Nondurable goods.....	70,699	52,240	14,333	991	73.6	45,431	37,024	10,434	976	70.4	39,334	35,953	3,725	4	90.6
Retail trade.....	193,380	183,992	10,489	54	95.2	106,038	97,478	8,494	81	91.9	15,243	11,823	681	(*)	83.2
Finance (except banking), insurance, and real estate.....	144,450	117,449	34,407	2,794	81.3	119,389	107,502	9,340	2,749	89.9	14,740	14,992	93	0	99.4
Finance, except banking.....	11,178	8,800	(*)	(*)	78.4	8,051	5,803	(*)	(*)	62.0	3,625	3,627	33	0	98.5
Insurance.....	123,446	102,888	18,795	2,791	83.5	108,068	99,904	9,074	2,711	91.0	10,072	10,099	3	0	100.0
Real estate.....	687	449	139	0	65.4	517	425	92	0	82.2	303	190	3	0	62.6
Holding companies.....	4,118	1,892	(*)	(*)	45.7	1,040	1,920	(*)	(*)	100.0	797	792	36	0	99.5
Individuals, estates, and trusts.....	4,321	0	4,321	0	0.0	0	0	0	0	0.0	0	0	0	0	0.0
Other industries.....	108,204	210,609	25,074	582	193.0	142,780	123,206	18,943	581	86.3	90,415	53,790	1,120	23	59.0
Agriculture, forestry, and fishing.....	(*)	(*)	(*)	(*)	50.1	1,833	700	(*)	(*)	38.2	1,403	1,358	(*)	(*)	95.3
Construction.....	(*)	8,030	87	87	70.4	17,182	12,540	4,629	87	73.1	10,021	9,956	327	0	99.7
Transportation, communication, and public utilities.....	108,710	28,402	(*)	(*)	26.1	100,314	36,113	(*)	(*)	35.8	13,202	12,898	(*)	(*)	98.3
Transportation.....	28,217	28,071	(*)	(*)	73.1	35,262	27,842	(*)	(*)	78.3	8,403	2,384	(*)	(*)	28.4
Communication and public utilities.....	80,493	30,106	(*)	(*)	37.5	65,112	8,331	(*)	(*)	12.6	9,208	2,208	(*)	(*)	23.9
Services.....	29,732	24,822	5,120	0	83.8	23,777									

Table 4.—Sales by U.S. MNC's Worldwide, and by U.S. Parents and Foreign Affiliates, 1977, by Industry of Classification and by Industry of Sales

Industry	Millions of dollars						Percentage distribution					
	MNC's worldwide		U.S. parents		Affiliates		MNC's worldwide		U.S. parents		Affiliates	
	Sales, by industry of MNC ¹	Sales, by industry of sales ²	Sales, by industry of U.S. parent	Sales, by industry of sales ²	Sales, by industry of affiliate	Sales, by industry of sales ²	Sales, by industry of MNC ¹	Sales, by industry of sales ²	Sales, by industry of U.S. parent	Sales, by industry of sales ²	Sales, by industry of affiliate	Sales, by industry of sales ²
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All industries	2,060,283	2,060,283	1,412,208	1,412,283	647,969	647,969	100.0	100.0	100.0	100.0	100.0	100.0
Mining	5,895	20,667	4,960	11,487	9,611	9,170	.3	1.0	.4	.8	1.5	1.4
Metal mining	2,672	11,214	1,467	3,857	7,663	7,371	.1	.5	.1	.3	1.3	1.1
Iron	(b)	3,983	(b)	719	2,154	2,117	(b)	.1	(b)	.1	.3	.3
Copper, lead, zinc, gold, and silver	1,850	4,061	4	2,121	2,788	2,517	.1	.2	.2	.4	.4	.4
Bauxite, other ores, and services	(b)	3,790	4	1,017	2,730	2,738	(b)	.2	0	.1	.4	.4
Coal and other nonmetallic minerals	4,194	8,384	3,513	7,631	1,949	1,798	.2	.5	.2	.5	.3	.3
Petroleum	474,684	462,658	231,787	214,110	237,345	289,423	23.0	22.0	15.7	15.2	36.6	30.5
Oil and gas extraction	3,647	42,611	6,131	11,412	20,092	30,805	.4	2.1	.4	.8	4.8	4.8
Crude petroleum (no refining) and gas	6,140	35,110	4,145	7,094	27,806	27,793	.3	1.7	.3	.6	4.3	4.3
Oil and gas field services	3,407	7,501	1,987	4,278	3,155	3,106	.1	.4	.1	.3	.5	.5
Petroleum and coal products	411,437	278,907	181,588	184,283	112,877	108,140	20.0	13.2	12.9	11.8	17.4	16.7
Integrated refining and extraction	409,123	228,087	179,389	180,536	68,086	67,625	19.9	11.1	12.7	11.4	10.7	10.4
Refining without extraction	(b)	42,034	(b)	1,721	44,032	39,715	(b)	2.0	(b)	.1	6.8	6.1
Petroleum and coal products, nec.	2,407	2,806	(b)	2,007	707	800	(b)	.0	(b)	.1	.1	.1
Petroleum wholesale trade	42,252	108,024	29,221	26,067	70,567	78,942	2.1	5.2	1.8	1.8	11.8	12.5
Other	12,379	30,316	11,736	11,738	16,240	16,345	.6	1.6	.8	.8	2.0	2.9
Manufacturing	1,037,157	944,472	739,400	707,970	298,325	237,843	50.3	45.8	52.4	50.1	35.0	28.7
Food and kindred products	110,782	108,396	83,423	82,068	25,904	25,529	5.4	5.3	5.9	5.9	4.0	2.9
Grain mill and bakery products	10,132	25,014	14,497	12,082	6,641	6,892	.9	1.2	1.0	1.3	1.0	1.1
Beverages	12,958	13,827	9,679	10,037	3,413	3,310	.6	.6	.7	.7	.5	.5
Other	78,672	70,064	59,245	54,949	16,560	15,224	3.5	3.4	4.2	3.9	2.4	2.3
Chemicals and allied products	145,821	146,157	96,474	94,112	49,230	43,033	7.1	6.6	6.5	6.5	6.7	6.6
Industrial chemicals and synthetics	80,293	68,529	33,965	32,235	20,108	19,341	3.9	3.3	3.8	3.5	3.1	3.0
Drugs	27,494	18,430	16,423	10,894	7,590	7,497	1.2	.9	1.2	.8	1.2	1.2
Soap, cleaners, and toilet goods	23,738	18,923	14,790	11,776	7,865	7,138	1.2	.9	1.0	.8	1.1	1.1
Agricultural chemicals	4,085	10,318	3,209	7,685	2,288	2,368	.2	.5	.3	.3	.4	.4
Other	10,360	19,037	7,974	12,596	5,690	6,309	.5	.9	.6	.9	1.0	1.0
Primary and fabricated metals	118,839	106,881	84,568	87,132	20,036	19,780	5.8	6.2	5.7	5.3	2.1	2.0
Primary metal industries	82,575	62,061	60,152	62,890	9,657	9,578	4.0	3.0	4.7	3.7	1.6	1.5
Ferrous	62,697	39,398	48,903	36,942	3,153	3,169	2.6	1.9	3.3	2.6	.5	.5
Nonferrous	20,878	22,132	19,250	15,449	6,706	6,710	1.4	1.1	1.4	1.1	1.0	1.0
Fabricated metal products	37,064	44,530	28,411	24,742	10,177	9,892	1.8	2.2	2.0	2.5	1.8	1.5
Machinery, except electrical	129,403	117,471	80,174	84,141	23,046	33,310	6.1	5.7	5.7	6.0	6.1	6.2
Farm and garden machinery and equipment	9,175	12,964	6,599	9,740	3,448	4,238	.4	.5	.5	.5	.7	.7
Construction and related machinery	27,023	24,800	18,211	17,247	7,169	7,559	1.3	1.2	1.3	1.2	1.1	1.2
Office and computing machines	47,858	33,411	23,950	20,804	14,116	12,680	2.3	1.6	1.7	1.5	2.2	1.9
Other	33,342	45,297	31,455	39,851	8,816	9,033	2.1	2.2	2.2	2.8	1.2	1.4
Electric and electronic equipment	87,303	77,706	62,631	58,976	32,824	21,759	4.2	3.8	4.4	4.0	3.4	3.4
Household appliances	11,928	12,293	6,496	6,041	3,982	3,299	.6	.6	.6	.8	.6	.5
Radio, television, and communication equipment	20,442	24,721	16,732	17,547	7,594	7,186	1.0	1.2	1.2	1.2	1.2	1.1
Electronic components and accessories	9,175	14,732	6,247	9,141	5,115	5,361	.4	.7	.4	.6	.8	.9
Other	45,557	35,950	31,235	28,247	5,658	5,777	2.2	1.3	2.2	1.4	.9	.7
Transportation equipment	290,716	198,738	165,681	147,191	57,798	49,837	11.7	7.9	11.7	10.1	6.9	7.1
Motor vehicles and equipment	181,103	155,713	115,677	106,118	34,884	28,847	8.8	8.2	8.2	7.7	5.3	7.2
Other	59,613	41,025	49,804	38,073	2,914	3,170	2.9	2.0	3.5	2.7	.4	.3
Other manufacturing	206,713	202,426	164,616	159,358	44,200	41,005	10.0	9.8	11.1	11.2	6.8	6.9
Tobacco manufactures	14,559	8,672	10,845	6,708	2,114	2,180	.7	.4	.8	.3	.3	.3
Textile products and apparel	30,054	27,838	25,843	24,010	4,004	3,985	1.5	1.4	1.8	1.7	.6	.6
Lumber, wood, furniture, and fixtures	20,493	18,392	12,218	16,201	2,295	2,399	1.0	.8	1.3	1.2	.4	.4
Paper and allied products	31,469	35,216	22,570	27,283	8,101	8,103	1.5	1.7	1.6	1.9	1.3	1.3
Printing and publishing	16,071	15,853	12,784	14,107	1,547	1,535	.8	.8	1.0	1.0	.2	.2
Rubber products	26,266	18,236	18,401	11,470	7,459	8,747	1.2	.9	1.2	.8	1.2	1.0
Miscellaneous plastics products	4,122	6,318	3,251	7,177	1,668	2,298	.2	.6	.2	.5	.2	.3
Glass products	13,912	10,414	6,053	6,900	2,638	2,638	.7	.4	.4	.4	.3	.3
Stone, clay, cement, and concrete	28,322	27,364	10,492	10,132	3,155	3,155	1.4	1.2	1.4	1.5	1.1	1.1
Instruments and related products	12,048	19,793	10,607	15,230	2,913	4,590	.6	1.0	.8	1.1	.6	.7
Trade	328,730	314,318	182,706	205,690	102,697	110,060	11.1	15.4	12.6	14.6	15.9	17.0
Wholesale trade	108,213	182,344	77,653	90,741	64,733	61,043	5.3	8.9	5.5	6.4	13.1	14.1
Durable goods	37,516	82,182	29,232	39,346	45,188	32,310	1.8	4.5	2.1	3.8	7.0	8.1
Nondurable goods	70,696	99,362	48,421	51,395	39,545	28,733	3.4	4.4	3.4	2.6	6.1	6.0
Retail trade	120,526	183,772	106,028	116,229	18,288	19,054	6.0	6.5	7.6	5.2	2.8	2.0
Banking	144,069	130,085	118,896	115,730	14,746	14,914	7.0	6.3	8.4	8.2	2.2	2.8
Finance (except banking), insurance, and real estate	11,178	14,194	3,061	10,365	2,682	2,844	.5	.7	.7	.7	.4	.6
Finance, except banking	123,448	100,832	108,038	100,385	10,073	10,090	6.0	5.3	7.7	7.1	1.8	1.6
Insurance	587	2,967	517	2,770	195	214	0	.3	.0	.2	0	0
Real estate	5,113	3,071	1,940	2,309	797	767	.2	.1	.1	.2	.1	.1
Holding companies	4,324	0	0	0	0	0	.2	0	0	0	0	0
Individuals, estates, and trusts	168,204	184,288	162,789	157,804	35,048	39,829	8.2	9.6	10.1	11.0	6.7	6.1
Other industries	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)
Agriculture, forestry, and fishing	(b)	3,921	1,589	2,407	1,463	1,377	(b)	.2	.1	.2	.2	.2
Construction	(b)	27,334	17,165	17,239	10,021	10,160	(b)	1.3	1.0	1.2	1.6	1.6
Transportation, communication, and public utilities	108,730	112,076	100,314	99,487	13,205	12,109	5.3	5.4	7.1	7.0	2.0	2.0
Transportation	39,217	37,679	34,302	34,268	3,403	3,526	1.9	1.8	2.5	2.4	.5	.6
Communication and public utilities	69,513	74,397	66,012	65,217	9,803	9,583	3.4	3.6	4.6	4.6	1.5	1.4
Services	29,732	31,396	23,777	26,671	12,258	14,677	1.4	2.5	1.7	2.6	1.0	2.3

MNC = multinational company.

b Suppressed to avoid disclosure of data of individual companies.

1. For an MNC as a whole, the industry of classification in this article is the industry of the U.S. parent.

2. For each U.S. parent and foreign affiliate, a distribution of sales by 3-digit BSA industry was reported in the 1977 benchmark survey. However, only the 6 largest industry categories for U.S. parents, and the 5 largest for foreign affiliates, had to be specified. If a given parent (or affiliate) had sales in more than the 6 (or 5) 3-digit categories specified, its reported distribution of sales would have covered less than 100 percent of its total sales. In columns 3, 4, and 6.

sales for which no industry was specified were allocated among industries in the same proportion as the shares of these industries in sales for which an industry was specified. The unspecified sales were thus given the same distribution as the specified sales.

3. See footnote 3, table 1.

NOTE.—In this table, data for U.S. MNC's are only for nonbank MNC's; data for U.S. parents are only for nonbank parents of nonbank affiliates; and data for affiliates are only for nonbank affiliates of nonbank parents.

Within manufacturing, most parent ratios ranged from 50 to 80 percent, whereas nearly all affiliate ratios exceeded 80 percent. The higher affiliate ratios partly reflected the fact that, as discussed in the next section, affiliates tended to be much smaller than their U.S. parents. Smaller companies are generally less diversified than larger ones, because, in most cases, only the larger ones can simultaneously produce a number of different products on an economically efficient scale. In addition, the types of capital, labor, and natural resources available for production—and thus the types of goods that can be profitably produced by a given company—are more limited in many foreign countries than in the United States.

The higher specialization ratios for affiliates also partly reflected the lower level of consolidation permitted, in the 1977 benchmark survey, for affiliates than for their U.S. parents. In general, for a multi-industry enterprise, the lower the level of consolidation, the higher the ratio. In the benchmark survey, affiliates in a given country could be consolidated only if they were in the same industry or were integral parts of the same business operation. In contrast, U.S. parents were defined as fully consolidated domestic enterprises, and corporations required to be consolidated with the parents were not limited as to industry classification.⁴

Because of industrial diversity, analyses of the industry distribution of MNC's based solely on data disaggregated by industry of classification may be misleading. The extent to which this is the case is indicated by comparing the distribution of MNC sales by industry of classification with that by industry of the sales themselves. For MNC's as a whole, and for U.S. parents and foreign affiliates separately, the distribution of sales by industry of classification did not differ significantly from

that by industry of sales, at least for most major industries (table 4). In general, industries that had large percentage differences in sales between the two distributions accounted for small shares of total sales. For most other industries, gains and losses of sales due to redistribution of sales from industries of classification to industries of the sales themselves were largely offsetting.

For MNC's as a whole, manufacturing accounted for 50 percent of total sales by industry of classification and 46 percent of total sales by industry of sales; the comparable percentages for trade MNC's were 11 and 15 percent, respectively. The shares for petroleum MNC's were virtually identical—23 percent and 22 percent, respectively. Among petroleum subindustries, however, there were significant, but nearly offsetting, differences in shares between the two distributions. The share of petroleum and coal products was higher—20 percent compared to 13 percent—and the shares of petroleum wholesale trade, oil and gas extraction, and "other petroleum" somewhat lower, when sales were distributed by industry of classification rather than by industry of sales.

Size of MNC's

MNC's as a whole

The distribution of the worldwide consolidated assets of U.S. MNC's by asset size class was highly skewed—a small number of MNC's accounted for a disproportionately large share of assets (table 5 and chart 12). The 62 largest MNC's—those with worldwide consolidated assets of at least \$5 billion each—accounted for less than 2 percent of the number, but for 50 percent of the consolidated assets, of all MNC's. At the other end of the distribution, 54 percent of MNC's had consolidated assets below \$50 million each, but they accounted for less than 2 percent of total MNC consolidated assets. For all MNC's, average consolidated assets were about \$530 million, while median consolidated assets were under \$50 million.

The asset size distribution of U.S. MNC's was skewed in each major industry as well. In manufacturing, MNC's with consolidated assets of at

least \$5 billion accounted for 1 percent of the number, but for 32 percent of the consolidated assets, of all manufacturing MNC's. In finance (except banking), insurance, and real estate, MNC's with at least \$5 billion of consolidated assets accounted for 4 percent of the number, but for 72 percent of the consolidated assets, of all MNC's. In petroleum, they accounted for 10 percent of the number, but 78 percent of the consolidated assets.

Of total consolidated assets of the 62 largest MNC's, finance (except banking), insurance, and real estate—mainly insurance—accounted for about one-third. The relatively large assets of insurance MNC's reflected the sizable financial investments that these companies made with the revenues obtained from policy premiums. (However, in most cases, these companies' liabilities, which consist primarily of expected claims against policies, were almost as large as their assets, so that net assets tended to be small.)

Manufacturing and petroleum each accounted for about one-fourth of the consolidated assets of the 62 largest MNC's. Of the manufacturing total, 46 percent was in transportation equipment, 15 percent in nonelectrical machinery, 13 percent in chemicals, and 12 percent in metals.

The 62 largest MNC's accounted for 42 percent of the sales and 29 percent of the employment—compared with 50 percent of the consolidated assets—of all MNC's. Their much smaller share of employment reflected the fact that many of these MNC's were classified either in finance (except banking), insurance, and real estate or in petroleum, which are industries with relatively low ratios of employment to total assets.

U.S. parents and foreign affiliates

The asset size distributions of U.S. parents and of foreign affiliates were also highly skewed toward the larger parents or affiliates (table 6).

For U.S. parents, the distribution was roughly similar to that for the MNC's as a whole. There were 50 parents with assets of at least \$5 billion each; they accounted for 1 percent of the number, but 47 percent of the assets,

4. In addition, if a U.S. corporation was normally excluded from full consolidation in reports to stockholders because its operations were largely unrelated to those of the owning enterprise, the benchmark survey nevertheless required it to be consolidated (or aggregated, if consolidation would have caused an undue burden) with the owning enterprise. See technical note for further explanation.

of all U.S. parents. In addition, the distribution was skewed in each major industry, as shown in table 6. Parents with assets of at least \$5 billion accounted for 1 percent of the number, but 26 percent of the assets, of all manufacturing parents; 4 percent of the number, but 74 percent of the assets, of all parents in finance (except banking), insurance, and real estate; and 7 percent of the number, but 66 percent of the assets, of all petroleum parents. Of the assets of the 50 largest parents, finance (except banking), insurance, and real estate accounted for 39 percent, manufacturing for 23 percent, and petroleum for 20 percent.

Primarily because foreign affiliates served smaller markets than their U.S. parents, the average asset size of affiliates was considerably smaller than that of parents—\$21 million compared with \$451 million. As a result, foreign affiliates were much more highly concentrated in the smaller size classes shown in table 6. Only 1 affiliate out of 23,641 had assets of at least \$5 billion. Nevertheless, the skewness of the affiliates' asset size distribution is evident. There were 837 affiliates with assets of \$100 million or more each. They accounted for 4 percent of the number, but 59 percent of the assets, of all affiliates. By industry, they accounted for 8 percent of the number, but 43 percent of the assets, of all manufacturing affiliates; 12 percent of the number, but 81 percent of the assets, of all petroleum affiliates; and 6 percent of the number, but 65 percent of the assets, of all affiliates in finance (except banking), insurance, and real estate. Of the assets of the 837 largest affiliates, petroleum and manufacturing each accounted for 32 percent; finance (except banking), insurance, and real estate and "other industries" each accounted for about 18 percent.

Location of MNC Operations

U.S. and foreign operations compared

In terms of assets, U.S. MNC's generally had significantly larger operations in the United States than abroad. Of total MNC aggregated assets of \$2,032.4 billion, U.S. parents accounted for 76 percent and foreign affiliates 24

percent (table 1). Aggregated rather than consolidated assets are used in this discussion because of the difficulty in calculating shares based on the latter. As noted above, intercompany positions between a parent and affiliate give rise to assets on the books of both enterprises; a decision to remove these assets from the books of one enterprise or the other to calculate the parents' and affiliates' respective shares of the totals, would have been highly arbitrary.

When MNC aggregated assets were classified by industry of U.S. parent, the affiliate shares of the industry totals so obtained were highest—88 and 35 percent, respectively—in petroleum and mining. In these industries, companies often need to operate abroad in order to secure natural resource supplies.

Affiliate shares were lowest—11 and 10 percent, respectively—in finance (except banking), insurance, and real estate and in "other industries." In the

Table 5.—Selected Data of U.S. MNC's Worldwide, 1977, Industry of U.S. Parent by Size of MNC's Worldwide Consolidated Assets

Industry of U.S. parent and size of MNC's worldwide consolidated assets	Number of MNC's	Worldwide total assets		Worldwide sales ¹	Worldwide employment
		Consolidated ²	Aggregated ³		
		Millions of dollars			
All industries	3,425	1,625,173	2,032,613	2,066,267	26,684,327
Under \$10 million	880	3,457	4,014	6,086	153,281
\$10 million under \$25 million	686	8,890	9,932	14,667	291,804
\$25 million under \$50 million	469	16,661	16,664	27,317	358,530
\$50 million under \$100 million	401	29,320	32,789	46,696	452,842
\$100 million under \$250 million	266	64,706	71,781	96,676	1,787,994
\$250 million under \$500 million	187	130,118	140,074	191,026	2,139,292
\$500 million under \$1.0 billion	146	190,640	143,899	182,004	2,850,276
\$1.0 billion under \$2.5 billion	184	204,602	344,764	354,635	5,819,648
\$2.5 billion under \$5.0 billion	74	251,512	283,633	390,940	3,945,507
\$5.0 billion and over	82	918,053	1,021,036	671,140	7,464,141
Petroleum	158	236,313	354,536	474,634	1,315,506
Under \$10 million	20	89	127	114	1,046
\$10 million under \$25 million	17	126	222	136	2,222
\$25 million under \$50 million	15	511	641	258	4,609
\$50 million under \$100 million	22	1,792	2,007	1,439	14,900
\$100 million under \$250 million	27	4,733	4,262	5,742	33,164
\$250 million under \$500 million	17	8,072	7,053	7,650	44,764
\$500 million under \$1.0 billion	12	8,755	9,054	9,832	39,438
\$1.0 billion under \$2.5 billion	10	15,845	14,194	16,779	81,865
\$2.5 billion under \$5.0 billion	6	28,282	24,767	30,913	120,032
\$5.0 billion and over	16	232,088	261,319	306,876	973,322
Manufacturing	1,841	763,330	862,447	1,637,157	17,097,819
Under \$10 million	285	1,564	1,781	2,804	64,371
\$10 million under \$25 million	337	6,577	6,179	9,290	202,352
\$25 million under \$50 million	290	10,690	11,934	17,396	350,240
\$50 million under \$100 million	242	17,435	19,439	27,675	569,554
\$100 million under \$250 million	251	29,079	44,228	60,164	1,183,655
\$250 million under \$500 million	156	54,697	62,599	81,905	1,640,668
\$500 million under \$1.0 billion	104	72,945	80,846	109,177	1,879,306
\$1.0 billion under \$2.5 billion	116	194,044	225,282	273,265	4,863,281
\$2.5 billion under \$5.0 billion	36	123,364	144,060	182,147	2,422,028
\$5.0 billion and over	30	249,466	293,760	302,627	4,100,985
Finance (except banking), insurance, and real estate	846	412,126	424,064	444,656	1,232,223
Under \$10 million	840	629	665	846	23,028
\$10 million under \$25 million	42	896	971	856	11,046
\$25 million under \$50 million	30	1,006	1,096	729	15,275
\$50 million under \$100 million	36	1,667	2,266	1,398	21,310
\$100 million under \$250 million	30	5,091	5,480	2,434	27,161
\$250 million under \$500 million	24	6,726	9,082	3,831	49,136
\$500 million under \$1.0 billion	21	16,147	18,019	5,168	60,678
\$1.0 billion under \$2.5 billion	22	41,396	41,620	15,575	126,766
\$2.5 billion under \$5.0 billion	11	29,896	41,400	15,778	180,026
\$5.0 billion and over	21	297,821	304,865	32,186	834,322
Other industries	836	340,424	362,372	362,821	6,375,685
Under \$10 million	195	974	1,145	2,362	66,408
\$10 million under \$25 million	136	2,197	2,470	4,436	75,784
\$25 million under \$50 million	121	4,514	5,061	6,041	133,431
\$50 million under \$100 million	106	8,136	9,064	10,253	266,069
\$100 million under \$250 million	98	15,209	16,825	26,036	564,014
\$250 million under \$500 million	58	20,617	23,210	27,529	465,240
\$500 million under \$1.0 billion	45	34,094	36,670	43,828	890,172
\$1.0 billion under \$2.5 billion	33	58,405	59,368	79,041	927,513
\$2.5 billion under \$5.0 billion	19	62,331	66,376	88,710	1,301,438
\$5.0 billion and over	5	180,122	141,062	74,155	1,485,686

MNC—multinational company.

1. See footnote 1, table 1.

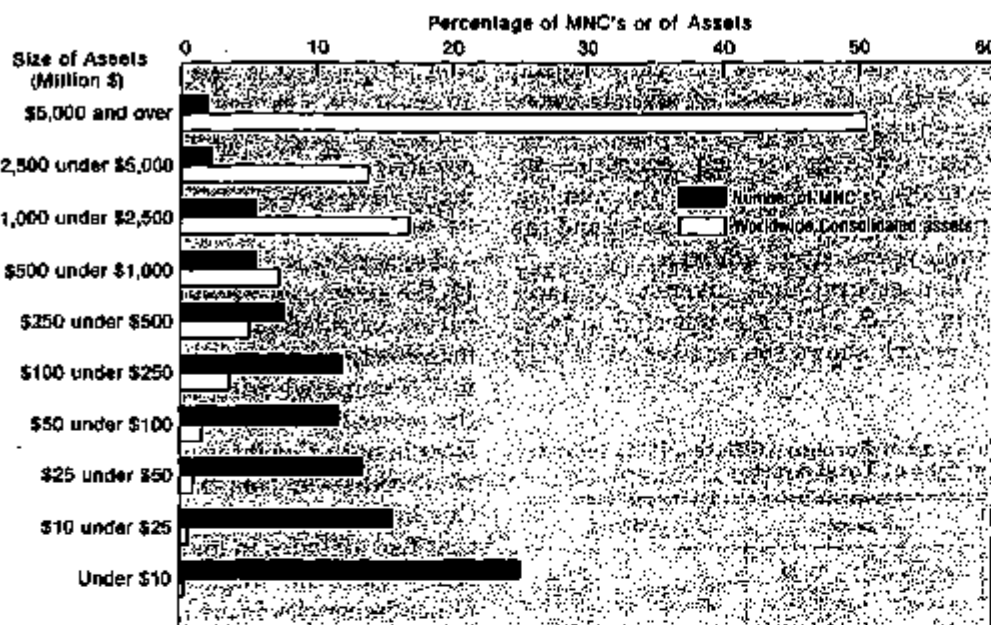
2. Equals sum of total assets of U.S. parents and of their foreign affiliates, as reported in the 1977 benchmark survey. This sum contains duplication of assets that reflect intercompany positions between a parent and its affiliate or between 2 affiliates of the same parent. See text for further discussion.

3. Equals sum of sales of U.S. parents and of their foreign affiliates, as reported in the 1977 benchmark survey. This sum contains duplication because of intercompany sales.

NOTE.—In this table, data for U.S. MNC's are only for nonbank MNC's.

CHART 12

Number and Worldwide Consolidated Assets of U.S. MNC's, by Asset Size



U.S. Department of Commerce, Bureau of Economic Analysis

8-10-12

former, the low share was mainly attributable to affiliates of MNC's in insurance. Insurance MNC's have tended to concentrate their overseas efforts on reinsuring policies written by unaffiliated foreign companies, rather than on establishing affiliates to write insurance policies directly. In some countries, foreign ownership of insurance companies is restricted or prohibited. In addition, per capita purchases of insurance generally have been lower abroad than in the United States. In "other industries," the affiliate share was particularly low in transportation, communication, and public utilities—industries that are often government owned or controlled abroad, so that opportunities for foreign investment are relatively limited.

The affiliate share of MNC assets in manufacturing, which accounted for 44 percent of all MNC aggregated assets, was 29 percent. Among the major industries within manufacturing, the affiliate shares were highest in nonelectrical machinery (35 percent) and lowest in food, metals, and "other manufacturing" (about 25 percent each).

In general, large U.S. parent com-

panies tended to have relatively large total foreign operations, as measured by the combined assets of each parent's foreign affiliates; conversely, small U.S. parent companies tended to have relatively small total foreign operations (table 7). For example, of the 281 U.S. parents in the three largest size classes—i.e., parents with assets of \$1 billion or more each—79 percent had foreign operations with combined assets of \$100 million or more, whereas 8 percent had foreign operations with combined assets of under \$25 million; a majority of the large parents with large foreign operations were in manufacturing. In contrast, of the 1,955 U.S. parents in the 3 smallest size classes—i.e., parents with assets under \$50 million each—less than 1 percent had foreign operations with combined assets of \$100 million or more, whereas 95 percent had foreign operations with combined assets of under \$25 million.

Area distribution of the foreign operations

By area, more U.S. MNC's had foreign affiliates in developed countries

than in developing countries; 2,592 MNC's had affiliates in developed countries and 1,870 had affiliates in developing countries (table 8). There were 187 MNC's with affiliates in "international"—i.e., with affiliates whose operations spanned more than one country and that were engaged in oil and gas drilling, petroleum shipping, other water transportation, or petroleum trading. (If an MNC had affiliates in more than one area, the MNC was counted once in each area. Thus, the sum of MNC's with affiliates in the three major areas exceeds the total number of MNC's. For the same reason, the number of MNC's in the other country or industry cells in table 8 may not add to the subtotals or totals of those countries or industries.)

By country, Canada was host to the largest number of U.S. MNC's—1,907. The United Kingdom was second with 1,288. Other countries where a large number of U.S. MNC's had affiliates were Germany (821), France (689), and Mexico (660).

In terms of assets, the foreign operations of U.S. MNC's were also more heavily concentrated in developed countries than in developing countries. Almost three-fourths of affiliates' assets—\$359.6 billion out of \$490.2 billion—were in these countries (tables 9 and 10). Of the developed countries total, manufacturing affiliates accounted for 42 percent, petroleum affiliates for 21 percent, and affiliates in trade and in finance (except banking), insurance, and real estate for about 13 percent each. Assets of Canadian affiliates at \$86.2 billion, were larger than those of affiliates in any other single country. Manufacturing accounted for about one-third of their assets, and petroleum and finance (except banking), insurance, and real estate for about one-fifth each. In Europe, affiliates had assets of \$206.6 billion. The European Communities (9) accounted for about 80 percent of the assets, of which over one-half were in manufacturing; the United Kingdom, Germany, and France had the largest shares. Japanese affiliates had assets of \$41.8 billion.

Assets of affiliates in developing countries were \$115.8 billion. These assets were less concentrated in manufac-

turing and trade, and more concentrated in finance (except banking), insurance, and real estate, than were assets of affiliates in developed countries. The greater concentration of assets in finance (except banking), insurance, and real estate largely reflected the tendency of MNC's to locate their finance and holding company affiliates in certain developing countries—Bermuda, the Netherlands Antilles, and Panama, in particular—in response to incentives, such as tax benefits, offered by the countries. Almost two-thirds of all assets in developing countries were in Latin America; assets were largest in Brazil

and Bermuda—with just over \$17 billion each. Most of the assets in Brazil were in manufacturing, while most of those in Bermuda were in finance (except banking), insurance, and real estate.

The number, sales, and employment, as well as the assets, of affiliates were heavily concentrated in developed countries; affiliates in these countries accounted for 66 percent of the number, and 69 percent of both the sales and the employment, of all affiliates.

The geographical diversity of individual U.S. MNC's is reflected in table 11, which shows the number of MNC's

with affiliates in various numbers of countries. Overall, MNC's were not highly diversified geographically. Of the 3,425 MNC's, 49 percent had affiliates in only 1 country and 31 percent in only 2 to 5 countries; in contrast, 10 percent of the MNC's had affiliates in 6 to 10 countries, 7 percent in 11 to 20 countries, and 4 percent in more than 20 countries. The single most geographically diversified MNC had affiliates in 86 countries.

Among the industries shown in table 11, the geographical diversity of MNC's varied considerably. MNC's in chemical manufacturing were the most diversified. Compared with other industries, the percentage of MNC's that had affiliates in only 1 country was the lowest—26 percent—in this industry. Also in this industry, the percentage of MNC's that had affiliates in more than 20 countries was the highest—19 percent. Other industries in which MNC's were highly diversified geographically were food and transportation equipment manufacturing, and petroleum.

MNC's in finance (except banking), insurance, and real estate and in trade were the least geographically diversified. Compared with other industries, the percentages of MNC's that had affiliates in only 1 country were the highest—77 and 59 percent, respectively—and the percentages that had affiliates in more than 20 countries were the lowest—about 1 percent each—in these industries.

U.S. Parent's Percentage Ownership of Foreign Affiliates

As noted previously, ownership by a U.S. person of 10 percent or more of the voting securities, or the equivalent, of a foreign business enterprise is considered evidence of the lasting interest, in or degree of influence over the management of, the enterprise that characterizes U.S. direct investment abroad. However, U.S. parents may not have actual control over the operations of a foreign business enterprise until their ownership exceeds 50 percent. A foreign affiliate in which the combined ownership of all U.S. parents exceeds 50 percent is referred to as a majority-owned foreign affiliate (MOFA).

Table 6.—Number and Total Assets of U.S. Parents and of Foreign Affiliates, 1977, Industry of U.S. Parent or Affiliate by Size of Total Assets

Industry and size of total assets of U.S. parent or affiliate	U.S. parents		Affiliates	
	Number of U.S. parents	Total assets (millions of dollars)	Number of affiliates	Total assets (millions of dollars)
All industries	3,425	1,543,218	22,641	496,178
Under \$10 million	1,012	8,025	17,525	48,139
\$10 million under \$25 million	515	8,592	3,090	48,828
\$25 million under \$50 million	437	15,366	1,743	48,474
\$50 million under \$100 million	390	25,063	647	60,466
\$100 million under \$250 million	391	62,544	629	80,644
\$250 million under \$500 million	248	84,557	176	60,821
\$500 million under \$1.0 billion	196	182,187	87	59,339
\$1.0 billion under \$2.5 billion	150	278,170	39	60,783
\$2.5 billion under \$5.0 billion	62	211,354	5	(D)
\$5.0 billion and over	30	720,175	1	(D)
Petroleum	168	218,756	1,497	154,499
Under \$10 million	22	84	1,148	5,156
\$10 million under \$25 million	15	274	280	4,554
\$25 million under \$50 million	14	498	160	5,860
\$50 million under \$100 million	17	1,337	117	8,306
\$100 million under \$250 million	30	5,096	128	14,977
\$250 million under \$500 million	16	8,669	67	19,693
\$500 million under \$1.0 billion	12	8,188	29	20,696
\$1.0 billion under \$2.5 billion	11	18,706	13	(D)
\$2.5 billion under \$5.0 billion	10	34,281	3	(D)
\$5.0 billion and over	11	144,664	0	0
Manufacturing	1,841	624,486	9,782	196,868
Under \$10 million	236	1,726	4,701	22,502
\$10 million under \$25 million	340	5,676	1,435	25,424
\$25 million under \$50 million	288	10,544	693	32,536
\$50 million under \$100 million	238	16,756	475	28,378
\$100 million under \$250 million	345	88,725	712	24,171
\$250 million under \$500 million	150	30,916	85	18,066
\$500 million under \$1.0 billion	110	78,820	28	18,961
\$1.0 billion under \$2.5 billion	107	171,682	13	28,829
\$2.5 billion under \$5.0 billion	28	94,457	0	0
\$5.0 billion and over	14	163,969	0	0
Finance (except banking), insurance, and real estate	496	379,947	2,383	76,776
Under \$10 million	426	206	1,814	4,114
\$10 million under \$25 million	22	361	308	5,087
\$25 million under \$50 million	21	746	193	4,783
\$50 million under \$100 million	16	1,178	137	3,906
\$100 million under \$250 million	26	4,368	88	13,286
\$250 million under \$500 million	24	8,603	32	11,384
\$500 million under \$1.0 billion	18	13,161	15	9,485
\$1.0 billion under \$2.5 billion	20	37,990	0	(D)
\$2.5 billion under \$5.0 billion	9	21,413	2	(D)
\$5.0 billion and over	21	262,431	0	0
Other industries	626	311,124	3,569	208,134
Under \$10 million	329	1,010	5,162	18,415
\$10 million under \$25 million	128	2,822	839	12,872
\$25 million under \$50 million	114	4,074	306	10,556
\$50 million under \$100 million	104	7,719	188	12,878
\$100 million under \$250 million	81	14,161	102	16,497
\$250 million under \$500 million	53	19,179	32	15,228
\$500 million under \$1.0 billion	48	22,126	16	10,207
\$1.0 billion under \$2.5 billion	30	50,890	7	(D)
\$2.5 billion under \$5.0 billion	15	31,193	0	0
\$5.0 billion and over	4	129,116	1	(D)

D Suppressed to avoid disclosure of data of individual companies.

Notes.—In this table, data for U.S. parents are only for nonbank parents of nonbank affiliates and data for affiliates are only for nonbank affiliates of nonbank parents.

Of the 23,841 affiliates, 19,524—or 82 percent—were majority owned; 4 percent were owned at least 10 but under 25 percent, 8 percent were owned at least 25 but under 50 percent, and 5 percent were owned exactly 50 percent (table 12).⁵ MFA's accounted for 74 percent of total affiliates assets. Their shares of sales and employment were 80 and 78 percent, respectively. Wholly owned affiliates—those owned 100 per-

5. If more than one U.S. parent owned at least 10 percent of a foreign affiliate, the ownership percentages of all the parents were combined in table 12. However, in 1977, only 346 affiliates—just over 1 percent of all affiliates—had multiple U.S. parents.

cent by their U.S. parents—accounted for 86 percent of the number and 79 percent of the assets of all MOFA's. Their share of sales was 82 percent and of employment 75 percent.

The remainder of this section discusses data only for the larger MOFA's—those with assets, sales, or net income over \$3 million (see addendum to table 12). In the 1977 benchmark survey, much more detailed data were collected for this group of affiliates than for any other. The larger MOFA's accounted for 61 percent of the number, but for almost all of the value, of all MOFA's. As a result, their

shares of the assets, sales, and employment of all affiliates, regardless of ownership—72, 78, and 75 percent, respectively—were only slightly lower than the corresponding shares for all MOFA's.

By industry, the shares of total affiliate assets accounted for by the larger MOFA's were lowest in mining (49 percent) and metal manufacturing (47 percent) (tables 9 and 13). In many countries, mining and the primary metal industries were subject either to government restrictions on, or to strong national sentiment against, ma-

(Text continued on p. 43)

Table 7.—Number of U.S. Parents in Various Asset Size Classes, 1977, Industry of U.S. Parent by Size of the Combined Assets of the U.S. Parent's Foreign Affiliates

Industry and size of total assets of U.S. parent	Number of U.S. parents, total	Number of U.S. parents having affiliates whose combined assets are:							
		Under \$10 million	\$10 million under \$25 million	\$25 million under \$50 million	\$50 million under \$100 million	\$100 million under \$250 million	\$250 million under \$500 million	\$500 million under \$1.0 billion	\$1.0 billion and over
All Industries.....	4,425	2,003	485	379	212	193	195	84	92
Under \$10 million.....	1,002	808	55	21	9	7	1	0	1
\$10 million under \$25 million.....	516	445	52	11	6	2	0	0	0
\$25 million under \$50 million.....	437	289	108	28	13	3	1	0	1
\$50 million under \$100 million.....	269	175	97	63	28	6	2	0	0
\$100 million under \$250 million.....	391	117	88	75	35	38	7	1	0
\$250 million under \$500 million.....	243	37	38	43	45	67	16	7	1
\$500 million under \$1.0 billion.....	186	20	21	19	23	62	35	13	3
\$1.0 billion under \$2.5 billion.....	189	10	4	8	16	32	36	44	29
\$2.5 billion under \$5.0 billion.....	62	3	5	3	5	4	4	14	26
\$5.0 billion and over.....	58	0	2	2	2	4	4	5	31
Petroleum.....	156	43	22	18	12	5	8	5	17
Under \$10 million.....	22	21	1	0	0	0	0	0	0
\$10 million under \$25 million.....	15	10	3	1	1	0	0	0	0
\$25 million under \$50 million.....	14	7	2	2	3	0	0	0	0
\$50 million under \$100 million.....	17	13	2	3	0	0	0	0	0
\$100 million under \$250 million.....	30	7	8	7	4	3	1	0	0
\$250 million under \$500 million.....	16	3	4	3	1	1	2	2	0
\$500 million under \$1.0 billion.....	12	2	2	2	0	3	1	1	1
\$1.0 billion under \$2.5 billion.....	11	1	0	0	2	2	1	4	1
\$2.5 billion under \$5.0 billion.....	10	0	0	0	0	0	2	3	8
\$5.0 billion and over.....	11	0	0	0	1	0	1	9	9
Manufacturing.....	1,841	1,013	269	153	124	111	74	52	45
Under \$10 million.....	328	219	7	0	0	0	0	0	0
\$10 million under \$25 million.....	340	306	29	4	1	0	0	0	0
\$25 million under \$50 million.....	288	163	71	17	2	0	0	0	0
\$50 million under \$100 million.....	233	165	74	39	15	0	0	0	0
\$100 million under \$250 million.....	245	89	51	54	45	21	3	1	0
\$250 million under \$500 million.....	150	14	20	25	33	45	11	2	0
\$500 million under \$1.0 billion.....	110	7	6	8	15	34	29	0	2
\$1.0 billion under \$2.5 billion.....	107	1	1	5	6	10	29	24	22
\$2.5 billion under \$5.0 billion.....	28	0	0	1	2	1	1	6	17
\$5.0 billion and over.....	14	0	0	0	0	0	0	0	14
Finance (except banking), insurance, and real estate.....	680	415	71	35	27	25	8	12	9
Under \$10 million.....	435	380	34	17	3	5	0	0	1
\$10 million under \$25 million.....	25	14	4	0	3	1	0	0	0
\$25 million under \$50 million.....	21	10	5	2	2	1	0	0	1
\$50 million under \$100 million.....	15	4	3	0	0	2	0	0	0
\$100 million under \$250 million.....	25	0	2	1	6	2	0	0	0
\$250 million under \$500 million.....	24	9	5	3	3	3	1	1	0
\$500 million under \$1.0 billion.....	18	2	6	3	4	0	0	2	0
\$1.0 billion under \$2.5 billion.....	20	7	3	2	0	6	1	1	0
\$2.5 billion under \$5.0 billion.....	9	0	1	1	1	1	0	3	1
\$5.0 billion and over.....	21	0	2	2	0	4	7	5	6
Other industries.....	826	512	133	61	49	48	18	21	21
Under \$10 million.....	228	208	13	4	1	2	1	0	0
\$10 million under \$25 million.....	189	115	16	6	1	1	0	0	0
\$25 million under \$50 million.....	114	79	22	7	5	1	0	0	0
\$50 million under \$100 million.....	104	54	21	15	10	4	0	0	0
\$100 million under \$250 million.....	91	32	22	12	9	12	3	0	0
\$250 million under \$500 million.....	53	11	8	11	8	9	2	2	1
\$500 million under \$1.0 billion.....	46	9	7	7	4	13	5	1	0
\$1.0 billion under \$2.5 billion.....	21	2	0	1	8	4	5	6	8
\$2.5 billion under \$5.0 billion.....	15	2	3	0	2	2	1	3	2
\$5.0 billion and over.....	4	0	0	0	1	0	1	0	2

NOTE.—In this table, data for U.S. parents are only for nonbank parents of nonbank affiliates.

Table B.—Number of U.S. MNC's That Had Foreign Affiliates in Given Countries and Industries, 1977, Country by Industry of Affiliate¹

Country of affiliate	All industries	Mining	Petroleum	Manufacturing								Trade	Finance (except bank, insur., and real estate)	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary metal industries	Machinery, except electrical	Electric and electronic equipment	Transportation equipment	Other manufacturing			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
All countries.....	3,425	306	271	1,561	182	392	389	412	279	128	518	1,292	745	324
Developed countries.....	2,892	86	155	1,475	126	351	381	364	197	74	529	1,461	485	585
Canada.....	1,907	53	158	1,004	80	182	199	157	112	65	405	584	222	291
Europe.....	2,412	28	145	1,404	95	335	288	243	157	88	583	975	412	513
European Communities (9).....	2,169	19	123	1,313	89	320	265	220	176	81	540	875	395	450
Belgium.....	516	1	14	241	15	61	38	48	23	6	78	205	34	100
Denmark.....	151	0	11	34	7	5	4	2	1	1	10	55	4	58
France.....	888	2	11	342	20	88	69	71	21	21	115	257	80	131
Germany.....	821	1	27	414	27	80	67	92	47	22	147	368	45	117
Ireland.....	142	0	13	302	15	15	11	15	15	3	37	10	10	11
Italy.....	439	0	10	244	17	60	27	48	33	14	92	151	15	71
Luxembourg.....	47	0	5	13	1	2	1	1	1	0	4	6	3	7
Netherlands.....	501	0	29	215	21	54	36	42	13	13	70	203	41	87
United Kingdom.....	1,238	0	62	710	43	124	122	169	91	34	277	362	132	230
Other Europe.....	828	7	62	571	37	84	62	69	34	23	142	374	167	153
Austria.....	124	0	4	37	7	10	4	6	3	0	10	74	7	17
Greece.....	124	0	4	37	7	10	4	6	3	0	10	74	7	17
Norway.....	124	0	4	37	7	10	4	6	3	0	10	74	7	17
Portugal.....	81	0	26	33	1	14	3	3	3	2	8	23	3	5
Spain.....	325	2	14	182	28	67	22	23	13	13	57	78	19	43
Sweden.....	222	0	4	78	4	19	12	16	4	4	21	139	8	37
Switzerland.....	454	0	16	245	4	18	7	18	14	0	36	237	126	104
Turkey.....	28	0	0	13	3	3	0	2	2	0	0	5	0	7
Other.....	63	0	0	17	0	4	3	1	2	0	7	50	12	16
Japan.....	540	0	13	298	25	69	49	51	34	12	68	242	24	89
Australia, New Zealand, and South Africa.....	702	27	35	374	34	92	51	67	64	24	132	278	73	124
Australia.....	699	27	25	362	33	73	54	68	63	20	126	197	66	104
New Zealand.....	240	0	9	65	10	26	5	4	7	3	13	59	10	12
South Africa.....	278	11	7	148	12	32	21	22	12	8	23	97	17	30
Developing countries.....	1,533	22	117	1,086	156	191	188	158	187	76	419	690	474	478
Latin America.....	1,455	49	124	931	96	177	169	151	111	70	331	445	426	326
South America.....	774	40	90	505	61	137	131	102	61	46	193	272	130	151
Argentina.....	200	1	11	143	13	47	14	14	9	14	47	34	11	25
Brazil.....	472	14	23	318	25	60	58	60	34	23	95	88	63	70
Chile.....	57	1	7	27	9	13	4	2	2	1	5	12	3	9
Colombia.....	165	2	23	90	9	41	3	8	3	2	27	26	11	21
Ecuador.....	81	0	10	28	7	7	3	0	0	2	7	16	4	9
Peru.....	105	6	18	43	5	15	4	3	4	2	3	33	3	11
Venezuela.....	277	1	16	161	23	54	14	12	11	15	44	77	24	47
Other.....	70	0	10	28	7	7	3	0	2	2	4	12	9	12
Central America.....	878	24	82	578	61	123	92	78	76	44	197	199	110	158
Mexico.....	640	17	12	512	47	115	82	48	70	40	162	112	88	71
Panama.....	148	1	10	22	8	10	0	0	1	0	5	26	6	38
Other.....	107	6	14	114	27	36	6	4	11	5	37	43	12	60
Other Western Hemisphere.....	531	19	49	422	24	27	17	11	14	6	51	112	290	126
Bahamas.....	100	2	9	3	2	2	0	0	1	0	2	25	44	30
Bermuda.....	227	0	0	0	0	0	0	1	0	0	0	163	20	20
Netherlands Antilles.....	112	1	10	6	2	3	0	0	0	0	2	8	8	10
Trinidad and Tobago.....	55	0	14	17	4	6	1	0	3	0	3	7	4	17
Other.....	355	8	7	45	19	14	4	2	7	1	21	29	21	86
Other Africa.....	279	15	52	79	10	12	11	10	6	3	20	42	29	54
Saharan.....	83	0	20	20	4	4	2	2	1	0	5	19	3	18
Egypt.....	43	0	25	1	0	1	0	0	0	0	0	4	1	12
Libya.....	28	0	17	2	0	0	0	0	0	0	1	2	0	3
Other.....	51	0	22	16	4	2	2	2	1	0	4	9	2	7
Sub-Saharan.....	184	15	37	64	8	11	10	7	8	2	27	58	24	45
Liberia.....	32	4	3	1	0	0	0	0	0	0	1	3	14	13
Nigeria.....	38	0	20	14	1	7	1	0	2	0	2	14	1	14
Other.....	128	12	23	58	7	11	10	8	5	2	21	28	11	24
Middle East.....	280	2	52	90	12	25	11	9	11	7	26	48	26	107
Israel.....	67	0	2	41	5	11	4	2	7	3	14	11	10	15
OPEC.....	214	3	45	50	5	15	5	8	5	3	10	40	13	61
Iran.....	111	2	27	23	3	12	4	5	4	2	4	19	4	40
Other.....	139	1	32	18	3	3	1	2	1	1	6	24	9	57
Other.....	36	0	0	8	2	0	1	1	1	1	2	9	5	9
Other Asia and Pacific.....	652	10	84	358	27	70	39	50	75	12	98	218	69	132
Hong Kong.....	229	0	6	64	2	14	4	8	22	1	19	108	31	47
India.....	117	0	0	92	2	32	11	22	11	4	21	7	3	7
Indonesia.....	114	5	45	40	3	18	3	1	4	1	11	6	4	26
Malaysia.....	80	2	11	39	4	8	3	2	16	1	5	26	3	10
Philippines.....	165	1	13	94	15	20	7	2	8	3	29	38	16	28
Singapore.....	170	0	5	59	6	10	10	10	12	2	10	65	13	30
South Korea.....	61	0	5	27	5	12	1	2	8	3	6	7	5	11
Taiwan.....	205	0	9	60	4	14	1	1	33	4	13	24	5	18
Thailand.....	82	4	9	38	8	12	4	0	3	1	10	28	4	12
Other.....	69	2	18	28	2	15	1	3	5	1	7	12	4	14
International.....	187	1	55	19	3	3	1	2	2	1	3	19	6	89
Addendum—OPEC.....	531	0	77	228	31	61	27	32	30	17	73	132	47	148

MNC = multinational company.

1. A U.S. MNC that had affiliates in more than one country or industry is counted once in each country or industry in which it had affiliates. Thus, the numbers appearing in individual country/industry cells do not add to the subtotals and totals.

2. Members of the Organization of Petroleum Exporting Countries (OPEC) are: Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, Venezuela, and United Arab Emirates.

Note.—In this table, data for U.S. MNC's are only for nonbank MNC's.

Table 9.—Selected Data of Foreign Affiliates, 1977, by Country of Affiliate

Country of affiliate	All affiliates				Majority-owned affiliates ¹			Majority-owned affiliates ¹ as a percentage of all affiliates		
	Number of affiliates	Total assets	Sales	Employment	Total assets	Sales	Employment	Total assets	Sales	Employment
		Millions of dollars		Number of employees	Millions of dollars		Number of employees	Total assets	Sales	Employment
		(2)	(3)		(5)	(6)	(7)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All countries	23,641	494,178	647,969	7,194,491	352,357	697,619	1,348,826	71.9	78.2	74.6
Developed countries	16,693	359,583	449,915	4,990,091	238,233	338,336	1,317,712	71.3	78.4	74.7
Canada	2,271	85,223	94,876	1,064,467	74,394	84,656	915,730	86.3	82.2	80.0
Europe	9,918	206,503	276,275	3,110,471	157,800	220,213	2,532,118	76.4	79.7	81.4
European Communities (9)	7,684	164,930	225,989	2,688,914	130,287	183,848	2,245,221	79.0	81.4	83.5
Belgium	780	12,991	16,988	157,002	10,344	14,798	123,785	86.0	80.9	78.8
Denmark	203	1,947	3,462	20,917	1,680	3,052	16,822	84.2	85.4	77.9
France	1,227	24,515	84,747	470,890	17,481	28,500	334,922	71.9	82.0	76.4
Germany	1,308	87,796	60,450	887,400	28,422	48,025	607,721	78.5	79.3	86.4
Italy	202	2,084	2,069	37,650	1,915	1,836	23,944	82.0	81.4	86.9
Italy	202	12,218	18,859	212,948	10,839	14,057	179,244	84.6	85.5	81.2
Luxembourg	56	1,394	950	7,648	1,057	691	7,438	84.0	85.0	74.6
Netherlands	621	18,480	27,008	180,028	12,880	17,070	101,740	87.0	83.2	74.6
United Kingdom	2,330	54,719	64,686	1,088,280	46,170	55,300	923,434	84.4	86.4	80.6
Other Europe	2,254	41,606	50,988	621,577	37,518	46,364	585,897	85.1	72.2	82.2
Austria	153	2,542	2,180	32,129	1,269	2,282	21,886	83.9	71.2	78.4
Greece	59	1,449	1,488	16,001	648	1,346	13,012	77.5	82.9	78.4
Norway	178	5,784	5,945	21,632	4,128	3,419	17,369	71.4	83.7	84.5
Portugal	79	575	803	19,572	438	609	12,489	76.1	83.3	80.4
Spain	484	11,890	12,202	216,721	4,769	5,674	130,981	80.1	85.6	76.8
Sweden	288	4,044	4,923	43,874	3,014	4,136	32,368	74.5	81.6	82.8
Switzerland	786	14,179	21,373	47,109	11,861	16,627	39,787	83.4	77.0	78.0
Turkey	49	674	1,070	14,586	950	1,524	11,524	73.0	85.0	78.0
Other	137	1,117	1,364	10,559	886	1,240	7,601	84.1	80.9	72.5
Japan	870	41,776	51,846	368,123	6,710	13,282	65,507	18.1	25.5	16.8
Australia, New Zealand, and South Africa	1,622	34,670	25,970	418,830	17,228	20,228	804,347	80.4	77.9	72.0
Australia	929	18,336	18,135	288,344	13,374	14,432	200,124	72.9	78.7	78.3
New Zealand	158	1,022	1,368	21,345	812	1,148	15,388	70.5	83.9	74.6
South Africa	413	5,312	6,458	128,041	3,122	4,612	82,834	54.1	71.5	63.4
Developing countries	7,947	114,595	197,054	2,204,400	83,183	154,288	1,514,734	71.8	84.2	89.7
Latin America	4,804	75,951	73,287	1,347,085	54,085	58,208	964,691	72.8	79.4	71.6
South America	1,064	31,717	35,831	774,000	23,504	28,483	684,816	74.2	82.4	78.6
Argentina	269	2,428	4,078	108,030	2,585	3,915	97,442	37.3	88.7	88.3
Brazil	787	17,281	19,343	438,681	13,384	16,680	363,870	77.2	80.0	80.9
Chile	221	1,314	2,410	61,279	1,407	1,898	7,263	84.5	87.3	79.0
Colombia	221	1,314	2,410	61,279	1,407	1,898	7,263	84.5	87.3	79.0
Peru	124	1,726	1,023	38,334	1,514	847	20,154	80.1	88.0	76.6
Venezuela	411	6,128	6,438	104,341	2,400	4,719	68,411	83.8	72.3	67.7
Other	130	734	810	18,718	637	722	15,179	80.2	89.2	81.1
Central America	1,752	14,621	15,083	480,374	4,465	8,244	285,606	87.2	81.4	82.6
Mexico	1,078	8,515	10,933	370,115	4,259	6,688	202,816	45.1	54.1	54.6
Panama	248	2,489	1,881	20,928	3,052	1,840	15,253	57.7	79.7	73.1
Other	426	1,617	2,269	89,431	1,149	2,084	67,447	82.2	80.3	75.0
Other Western Hemisphere	968	26,409	22,878	95,812	22,448	10,481	72,894	79.5	85.2	78.2
Bahamas	145	1,974	2,425	7,595	1,770	2,387	6,402	89.7	87.6	84.3
Bermuda	342	17,941	14,414	2,481	12,959	11,926	1,765	75.2	82.7	71.1
Netherlands Antilles	146	5,473	2,160	4,500	2,087	2,406	2,406	85.0	85.2	74.8
Trinidad and Tobago	66	1,483	1,285	15,707	1,080	1,184	10,954	72.8	82.7	66.7
Other	289	2,222	2,478	65,318	1,437	1,977	60,361	70.5	79.8	77.1
Other Africa	683	9,714	10,062	161,126	6,894	14,419	61,364	70.3	86.5	58.7
Sahara	171	2,731	4,758	26,094	2,452	4,360	17,572	80.1	84.1	67.8
Egypt	60	1,402	889	5,705	1,067	826	5,012	97.7	88.8	87.8
Libya	28	1,097	4,068	5,032	1,032	5,050	4,819	98.7	98.6	95.8
Other	85	682	6,850	16,107	1,302	4,81	7,741	83.7	86.6	50.8
Sub-Saharan	612	8,083	9,904	135,135	4,362	8,060	72,702	82.9	81.2	54.6
Liberia	62	928	2,068	20,766	717	162	22,316	77.3	86.5	75.0
Nigeria	61	1,788	4,408	17,507	1,484	4,571	11,057	83.1	85.1	61.7
Other	269	4,367	4,328	87,823	2,182	3,327	40,417	51.3	82.9	48.2
Middle East	544	14,578	68,807	138,317	11,206	62,222	89,445	76.9	84.5	44.7
Israel	103	1,138	995	21,155	574	568	8,812	50.9	57.1	40.7
OPEC	371	12,408	63,680	104,877	9,641	60,620	73,218	80.2	85.2	60.8
Iran	167	3,482	11,675	38,047	1,624	(D)	18,982	55.9	(D)	44.3
Other	204	8,926	51,964	88,830	8,007	(D)	56,237	80.5	(D)	84.3
Other	71	1,048	1,952	12,285	691	1,734	7,614	66.1	68.8	82.0
Other Asia and Pacific	1,596	16,480	26,644	502,614	10,399	13,790	370,384	63.1	70.2	70.1
Hong Kong	318	2,631	4,301	44,847	2,300	4,931	35,240	87.4	83.0	78.8
India	149	1,802	2,287	94,822	425	513	30,821	72.6	82.4	37.6
Indonesia	182	3,065	5,005	52,485	2,792	5,468	48,413	90.5	97.6	88.8
Malaysia	107	878	1,245	85,960	780	1,148	32,130	90.0	92.2	89.4
Philippines	233	2,532	3,850	111,768	1,545	2,062	84,894	85.3	87.0	78.0
Singapore	227	1,648	2,354	44,184	1,238	2,113	38,536	79.9	82.8	87.3
South Korea	70	2,238	2,811	31,638	1,66	219	12,889	7.3	6.2	41.5
Taiwan	138	1,000	1,304	98,048	508	1,004	60,416	59.7	77.0	38.5
Thailand	101	657	1,070	27,337	492	816	17,551	72.4	85.5	64.2
Other	103	635	707	18,324	283	347	7,576	48.2	48.2	41.3
International	411	14,772	15,734	48,864	15,822	14,422	35,368	82.1	81.7	86.5
Addendum—OPEC	1,211	25,824	86,879	394,937	10,149	81,906	214,281	75.0	81.6	70.3

¹ Suppressed to avoid disclosure of data of individual companies.

1. For purposes of this table, consists of affiliates that were owned more than 50 percent by all U.S. parents combined and that had assets, sales, or net income of more than \$3 million in 1977.

2. See footnote 2, table 8.

NOTE.—In this table, data for affiliates are only for nonbank affiliates of nonbank parents.

(Text continued from p. 49)

majority ownership by foreign investors. The shares of assets accounted for by the larger MOFA's were highest in food and non-electrical machinery (84 percent each) and in electrical machinery (81 percent).

By area, the larger MOFA's accounted for nearly the same shares of assets in the developed and developing countries—71 and 72 percent, respectively. Among the individual countries shown in tables 9 and 13, however, the shares of the larger MOFA's varied widely. They were highest—99 and 98 percent, respectively—in Libya and Egypt, countries in which most of the assets were in petroleum. They were lowest—7 percent—in South Korea. Other countries where MOFA shares of assets were relatively low were Japan, India, Spain, and Mexico.

Each of the countries with low MOFA shares maintained restrictive policies, as of 1977, toward majority ownership by foreign investors. In South Korea, investments had to be approved by the Government. Foreign equity usually could not exceed 50 percent except in very capital intensive or high technology industries, or in certain industries that did not compete with existing South Korean firms.

In Japan, as in South Korea, all foreign investments were subject to Government approval. Until the early 1970's, foreign equity participation was limited to 50 percent in new, and 25 percent in existing, companies. Although these limits were raised to 100 percent by 1977, approval of investment proposals with up to 100-percent foreign participation was not assured.

In India, firms were required to dilute foreign equity participation to no more than 40 percent, with exceptions in high priority, high technology, and export industries. Large firms, and firms that had not reached the required equity dilution, needed Government consent before significant capital expansion could be undertaken. In Spain, Government approval was generally required for investments with 50-percent-or-more foreign ownership. Exceptions were made, especially for firms that

Table 11.—Number of U.S. MNC's Having Affiliates in Various Numbers of Countries, 1977, by Industry of U.S. Parent

Industry of U.S. parent	Number of MNC's, total	Number of MNO's having affiliates in:				
		Only 1 country	2 to 5 countries	6 to 10 countries	11 to 20 countries	More than 20 countries
All industries.....	3,425	1,484	1,049	327	224	137
Mining.....	29	15	0	5	0	0
Petroleum.....	108	60	40	18	10	15
Manufacturing.....	1,841	732	623	221	108	97
Food and kindred products.....	112	35	38	13	13	11
Chemicals and allied products.....	184	50	49	34	25	30
Primary and fabricated metals.....	277	135	81	28	16	8
Machinery, except electrical.....	322	128	107	43	21	13
Electric and electronic equipment.....	233	83	64	28	23	6
Transportation equipment.....	85	24	28	14	13	6
Other manufacturing.....	628	273	227	60	46	17
Trade.....	378	221	113	24	14	9
Finance (except banking), insurance, and real estate.....	600	462	110	15	3	0
Other industries.....	422	185	134	40	21	13

MNC=multinational company.

Note.—In this table, data for U.S. MNC's are only for nonbank MNC's.

Table 12.—Selected Data of Foreign Affiliates, 1977, by U.S. Parent's Percentage Ownership in Affiliate¹

U.S. parent's percentage ownership in affiliate	Number of affiliates	Total assets	Sales	Employment
		Millions of dollars		
				Number of employees
1. All affiliates.....	23,641	496,178	647,949	7,196,691
2. Owned 10 percent under 25 percent.....	985	46,785	40,518	537,082
3. Owned 25 percent under 50 percent.....	1,972	56,129	57,960	777,647
4. Owned 50 percent.....	1,150	25,975	33,594	252,268
5. Owned over 50 percent.....	10,534	360,440	515,957	5,538,714
6. Owned over 50 percent under 75 percent.....	1,173	23,759	35,255	543,230
7. Owned 75 percent under 100 percent.....	1,642	46,227	60,709	854,269
8. Owned 100 percent.....	16,704	294,445	424,982	4,221,115
Additional: 9. Affiliates owned over 50 percent with assets, sales, or net income greater than \$1 million ²	11,908	332,357	507,019	5,368,826

1. In cases where more than one U.S. parent has ownership of 10 percent or more in a foreign affiliate, this table shows the ownership of all of the U.S. parents combined.

2. In the 1977 benchmark survey, the most extensive and detailed data were obtained for this group of affiliates. Thus, in the benchmark survey publication *U.S. Direct Investment Abroad, 1977* and in tables 9 and 13 of this article, data for "majority-owned foreign affiliates" are for these affiliates, rather than for all affiliates owned over 50 percent.

Note.—In this table, data for affiliates are only for nonbank affiliates of nonbank parents.

created at least 100 jobs or favorably affected Spain's balance of payments. In Mexico, a 1973 law restricted foreign ownership of new investments in most industries to 49 percent.

Form of Organization of Parents and Affiliates

Legal form of organization

Of the 3,425 U.S. parents, 3,001, with assets of \$1,534.7 billion, were incorporated and 74, with assets of \$8.5 billion, were unincorporated (mainly partnerships). The remaining 350 parents were individuals, estates, and trusts that directly owned foreign affiliates. Because

these parents did not have to report financial and operating data in the 1977 benchmark survey, their U.S. assets were considered zero.⁶

Of the 23,641 foreign affiliates, 20,498, with assets of \$428.1 billion, were incorporated and 3,143, with assets of \$62.1 billion, were unincorporated (table 14). Branches accounted for nearly all—89 and 93 percent, respectively—of both the number and total

6. However, if a U.S. individual, estate, or trust held its investments abroad indirectly through a U.S. business enterprise, the U.S. business enterprise, rather than the individual, estate, or trust, was considered the U.S. parent; in this case, the enterprise's domestic assets were reported and were classified according to the enterprise's form of organization.

assets of unincorporated affiliates; partnerships accounted for most of the remainder.

By industry, incorporated affiliates' shares of the assets of all affiliates were highest—97 and 94 percent, respectively—in manufacturing and trade, and were lowest—89 and 75 percent, respectively—in mining and petroleum. Within manufacturing, these affiliates' shares were consistently high—over 90 percent—in each industry. The relatively low share in petroleum was almost entirely attributable to affiliates engaged in oil and gas extraction. Incorporated affiliates accounted for only 44 percent of the assets of these affiliates, compared with 87 percent of the assets of affiliates in petroleum and coal products. In the past, tax advantages encouraged the organization of affiliates engaged in petroleum extraction as branches. Al-

though these advantages had been largely eliminated by 1977, their elimination apparently did not result in the reorganization of a significant number of affiliates.

By area, incorporated affiliates accounted for a larger share of the assets of all affiliates in developed countries than in developing countries—91 percent compared with 74 percent. Among developing countries, incorporated affiliates' shares of assets were lowest in countries where petroleum extraction and mining were the dominant affiliate industries.

Number of affiliate establishments

A given affiliate may consist of more than one establishment. A question in the 1977 benchmark survey asked the "number of separate (noncontiguous)

physical locations where business is conducted, goods are produced, or services or industrial operations are performed" by the affiliate. Of the 97 percent of affiliates from which responses were obtained, 61 percent were single-establishment enterprises; 28 percent had 2 to 5 establishments, 5 percent had 6 to 10 establishments, and 6 percent had 11 or more establishments (table 15).

By major industry, the percentage of affiliates that were single-establishment enterprises was lowest (48 percent) in mining; most other affiliates in that industry had two to five establishments. The percentage was highest (78 percent) in finance (except banking), insurance, and real estate, which includes holding companies (92 percent of which had only one establishment).

Among major industries, petroleum had the highest percentage of affiliates

Table 14.—Number and Total Assets of Foreign Affiliates, 1977, Industry and Country of Affiliate by Form of Organization

Industry or country of affiliate	All affiliates		Incorporated affiliates		Unincorporated affiliates					
	Number of affiliates	Total assets	Number of affiliates	Total assets	Total		Branches		Other	
		Millions of dollars		Millions of dollars	Number of affiliates	Total assets Millions of dollars	Number of affiliates	Total assets Millions of dollars	Number of affiliates	Total assets Millions of dollars
Total	23,641	496,178	24,498	428,962	3,943	62,898	2,805	57,888	238	4,166
By industry										
Mining	292	18,286	193	12,546	99	5,740	81	5,077	18	643
Petroleum	1,927	114,940	1,125	85,882	802	28,518	796	27,227	46	1,391
Manufacturing	9,702	380,868	9,214	185,801	488	5,067	487	4,458	61	614
Food and kindred products	845	14,178	768	13,437	77	738	72	707	5	31
Chemicals and allied products	2,283	38,782	2,106	37,383	137	1,396	147	1,224	10	163
Primary and fabricated metals	1,120	21,605	1,089	23,700	31	706	23	538	6	171
Machinery, except electrical	1,373	38,352	1,314	27,319	61	1,064	65	(^a)	6	(^a)
Electric and electronic equipment	990	17,138	946	18,870	44	248	39	202	5	45
Transportation equipment	473	32,106	462	31,931	11	177	10	(^a)	1	(^a)
Other manufacturing	2,726	38,929	2,638	38,161	107	766	89	649	18	117
Trade	5,797	55,101	5,111	52,705	688	3,398	671	3,299	15	97
Finance (except banking), insurance, and real estate	2,353	76,775	2,038	61,859	320	14,916	290	14,401	30	818
Other industries	3,570	33,748	2,822	26,288	748	4,460	570	3,582	178	628
By area										
Developed countries	18,503	359,882	14,037	328,860	1,595	30,723	1,382	29,695	184	2,038
Canada	3,271	88,225	2,821	76,613	610	8,610	513	8,464	28	306
Europe	9,940	209,833	9,051	189,529	909	17,070	781	15,387	128	1,639
European Communities (9)	7,880	164,850	6,928	151,837	726	13,044	629	11,618	95	1,096
Other Europe	2,059	44,983	2,073	37,692	181	4,026	152	3,772	23	291
Japan	870	41,778	728	40,864	142	892	129	854	13	38
Australia, New Zealand, and South Africa	1,522	24,979	1,847	21,834	175	2,145	159	3,050	16	96
Developing countries	7,527	115,822	6,067	85,836	1,560	26,967	1,411	(^a)	149	(^a)
Latin America	4,804	78,041	4,101	61,800	703	15,241	626	15,610	77	731
Other Africa	683	9,718	445	5,819	238	4,896	223	(^a)	15	(^a)
Middle East	544	14,378	800	4,740	244	4,886	212	9,240	32	566
Other Asia and Pacific	1,596	16,469	1,221	13,467	375	4,033	350	2,714	25	308
International	411	14,773	394	13,807	17	1,376	12	(^a)	5	(^a)
Addendum: OPEC ¹	1,211	28,524	800	13,012	408	13,512	362	12,451	46	882

^a Suppressed to avoid disclosure of data of individual companies.

1. See footnote 2, table 3.

NOTE.—In this table, data for affiliates are only for nonbank affiliates of nonbank parents.

with 11 or more establishments—14 percent. Within petroleum, affiliates with 11 or more establishments accounted for particularly large proportions of all affiliates in petroleum and coal products (which includes integrated refining and extraction) and petroleum wholesale trade. In the major industries outside petroleum, affiliates with 11 or more establishments accounted for 6 percent or less of all affiliates. However, in a few individual industries, such as retail trade, office and computing machines, and rubber products, the percentages were much higher—well over 20 percent each.

Technical Note

For this article, MNC worldwide consolidated assets were roughly approximated as the sum of total assets of U.S. parents and of their foreign affiliates, as reported in the 1977 benchmark survey and as shown in table 1, column 4, less: (1) U.S. parents' receivables from, and equity investment in, foreign affiliates, (2) affiliates' receivables from U.S. parents, and (3) affiliates receivables from, and equity investment in, other foreign affiliates of their U.S. parents.

For several reasons, the worldwide consolidated assets of a given MNC, as calculated for this article, may be higher than they would have been if calculated by the MNC itself. First, the assets of all foreign business enterprises owned at least 10 percent by their U.S. parent have been included in MNC worldwide consolidated assets in this article in order to conform to U.S. direct investment concepts. In contrast, under U.S. generally accepted accounting principles (GAAP), only MOFA's—affiliates owned more than 50 percent by their U.S. parent—would be included in a U.S. company's worldwide consolidation.

Second, a given MNC's worldwide consolidated assets, as calculated here, may be higher than under GAAP because of the consolidation rules applied to U.S. parents in the 1977 benchmark survey. In the survey, a U.S. parent was defined as a fully consolidated U.S. business enterprise. According to the survey rules, the U.S. enterprise, under certain circumstances, had to include U.S. subsidiaries in its consolidation that would normally have been excluded under GAAP. Specifically, if a U.S. subsidiary was owned more than 50 percent by the enterprise, but was normally excluded from full consolidation in reports to stockholders—because, for

Table 13.—Number of Affiliates Having Operations at 1, 2 to 5, 6 to 10, or 11 or More Physical Locations, 1977, by Industry of Affiliate

Industry of affiliate	Number of affiliates, total	Number of affiliates for which response to question on number of physical locations was obtained:				
		Total	With 1 location	With 2 to 5 locations	With 6 to 10 locations	With 11 or more locations
	(1)	(2)	(3)	(4)	(5)	(6)
All industries.....	22,641	22,392	14,135	4,385	1,854	1,345
Mining.....	292	278	143	123	0	12
Metal mining.....	215	201	99	87	4	11
Iron.....	28	25	18	15	1	2
Copper, lead, zinc, gold, and silver.....	55	50	24	25	1	5
Bauxite, other ores, and services.....	32	29	17	12	2	3
Coal and other nonmetallic minerals.....	77	73	34	31	5	3
Petroleum.....	1,027	1,858	980	620	163	250
Oil and gas extraction.....	959	957	557	294	45	47
Crude petroleum (no refining) and gas.....	683	688	388	154	15	45
Oil and gas field services.....	308	324	174	130	20	21
Petroleum and coal products.....	130	175	42	49	7	43
Integrated refining and extraction.....	30	34	4	4	1	35
Refining without extraction.....	100	87	48	29	4	24
Petroleum and coal products, net.....	59	63	32	12	2	17
Petroleum wholesale trade.....	478	456	205	118	59	105
Other.....	270	243	141	59	12	37
Manufacturing.....	9,702	9,473	5,421	3,673	594	445
Food and kindred products.....	845	821	388	311	65	57
Grain mill and bakery products.....	176	174	88	70	19	17
Beverages.....	148	138	69	55	14	30
Other.....	521	509	241	180	33	30
Chemicals and allied products.....	2,233	2,224	1,238	870	108	70
Industrial chemicals and synthetics.....	676	664	343	276	31	25
Drugs.....	436	429	246	190	23	13
Soap, cleaners, and toilet goods.....	406	397	232	143	17	11
Agricultural chemicals.....	161	155	81	56	9	9
Other.....	440	434	235	159	27	19
Primary and fabricated metals.....	1,120	1,081	732	287	43	25
Primary metal industries.....	277	265	147	97	9	12
Ferrous.....	145	135	78	51	4	4
Nonferrous.....	132	130	71	46	5	8
Fabricated metal products.....	843	816	608	280	34	15
Machinery, except electrical.....	1,276	1,249	780	396	31	82
Farm and garden machinery and equipment.....	57	57	32	18	3	4
Construction and related machinery.....	282	277	164	80	24	19
Office and computing machines.....	113	112	51	23	5	32
Other.....	823	803	513	215	49	29
Electric and electronic equipment.....	980	972	560	298	62	62
Household appliances.....	89	88	43	20	8	13
Radio, television, and communication equipment.....	161	158	72	54	14	19
Electronic components and accessories.....	358	345	202	76	11	6
Other.....	372	366	183	129	20	16
Transportation equipment.....	473	460	245	172	33	30
Motor vehicles and equipment.....	414	408	227	114	72	38
Other.....	59	52	25	18	1	2
Other manufacturing.....	2,736	2,588	1,506	889	117	128
Tobacco manufactures.....	64	60	29	24	6	8
Textile products and apparel.....	355	345	203	120	19	3
Lumber, wood, furniture, and fixtures.....	133	124	74	57	6	7
Paper and allied products.....	302	296	143	117	21	15
Printing and publishing.....	192	190	119	80	3	9
Rubber products.....	161	154	46	47	26	39
Miscellaneous plastics products.....	222	217	144	61	11	11
Glass products.....	91	89	57	25	4	3
Stone, clay, cement, and concrete.....	158	151	84	62	17	11
Instruments and related products.....	477	460	292	154	20	24
Other.....	504	493	256	142	13	12
Trade.....	5,797	5,710	3,402	1,424	270	354
Wholesale trade.....	5,277	5,194	3,484	1,287	233	206
Durable goods.....	3,412	3,353	2,172	848	170	163
Nondurable goods.....	1,865	1,841	1,294	498	63	45
Retail trade.....	520	516	190	137	37	148
Finance (except banking), insurance, and real estate.....	2,243	2,247	1,704	304	78	104
Finance, except banking.....	581	560	496	80	17	23
Insurance.....	859	858	594	147	42	60
Real estate.....	179	172	135	25	4	5
Holding companies.....	894	826	759	49	12	8
Other industries.....	3,570	3,439	2,175	913	163	182
Agriculture, forestry, and fishing.....	243	238	145	81	9	4
Construction.....	411	403	231	134	22	10
Transportation, communication, and public utilities.....	611	593	336	181	29	37
Transportation.....	505	490	281	136	15	25
Communication and public utilities.....	106	103	55	25	11	12
Services.....	2,295	2,228	1,463	537	103	12

Note.—In this table, data for affiliates are only for nonbank affiliates of nonbank parents.

example, it was a finance company, but the owning enterprise was a manufacturer, or its operations were otherwise unrelated to those of the owning enterprise—the benchmark survey nevertheless required its data to be consolidated (or aggregated, if consolidation would have caused an undue burden) with those of the enterprise. It should be noted that, if the subsidiary in question were aggregated, rather than consolidated, the U.S. parent's assets would be further overstated because, in aggregation, the duplication caused by intercompany assets would not be eliminated. (In addition, this consolidation (or aggregation) would affect the distribu-

tion of U.S. parent (and, hence, MNC) data by industry, if the corporation being consolidated (or aggregated) were in a different industry from the owning enterprise.)

Third, MNC worldwide consolidated assets, as calculated here, may include the assets of some foreign affiliates that, even if majority owned, are not normally included in an MNC's worldwide consolidation. For example, affiliates whose activities are unrelated to those of their U.S. parents, or whose status is in doubt because of unstable conditions in foreign host countries, may not normally be consolidated by the MNC.

Finally, some intercompany assets of U.S.

parents and their foreign affiliates that normally would be eliminated in consolidation were not separately identified in the 1977 benchmark survey. Thus, the duplication caused by these intercompany assets, which was probably small, could not be entirely eliminated in deriving MNC worldwide consolidated assets for this article.

Affiliates' receivables from other foreign affiliates were reported only for MOFAs. Thus, consolidated worldwide assets, as defined here, are overstated to the extent minority-owned affiliates had receivables due from other foreign affiliates of their U.S. parents.